



Always on the move.
With enthusiasm.
Group Review 2016



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, 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.



Growth strategy yielding results

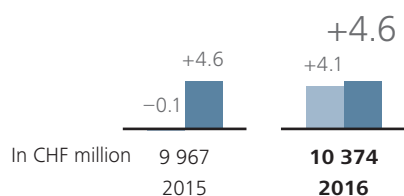


Growth strategy yielding results

Despite a challenging market environment, orders received, revenue, and operating profit reached record levels.

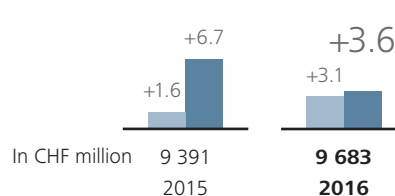
Orders received

— Δ previous year in %, in CHF
— Δ previous year in %, in local currencies



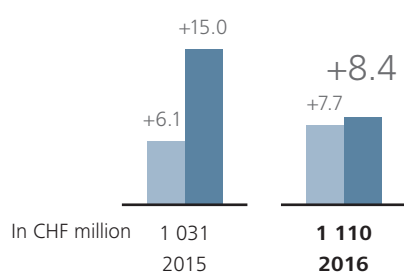
Revenue

— Δ previous year in %, in CHF
— Δ previous year in %, in local currencies



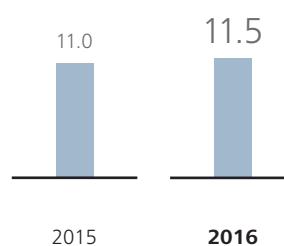
Operating profit (EBIT), before exceptional items

— Δ previous year in %, in CHF
— Δ previous year in %, in local currencies



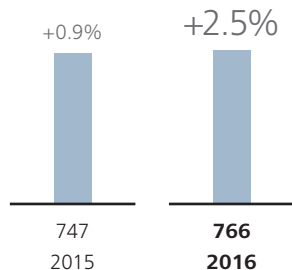
EBIT margin, before exceptional items

In %



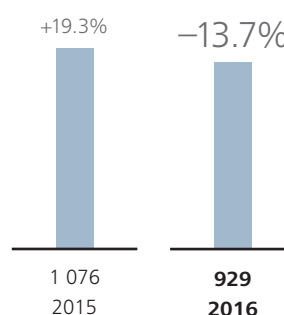
Net profit, before exceptional items

In CHF million



Cash flow from operating activities

In CHF million



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Milestones

Ladies and Gentlemen

My final year as Chairman was blessed with unexpected events. To name a few: Brexit, GDP contraction and impeachment in Brazil, Terror in Paris, Nice and Berlin, impeachment in South Korea, slower growth in China, failed military coup in Ankara, Aleppo falls, trade with Iran, the \$ and interest rates rise in tandem after the US elections, India cracks down on black money.

The € and emerging market currencies drop while a grossly overvalued Swiss Franc continues to boast negative interest rates. Both China and the US plan to spend hundreds of billions on infrastructure while debts continue to climb worldwide. US taxes are likely to be reduced significantly, leading to both, a dramatic surge in investment and consumption. Thank God there will be no meltdown, just a “little” inflation. As Voltaire (1778) reminds us, “Paper money eventually returns to its intrinsic value – zero”.

Not everything is worrisome though. Moderate growth is back, globalization has lifted billions of people out of poverty, and there are no major military conflicts. However, Western economies live above their means: about 40% to 50% of city dwellers pay no taxes. Hence, Government hand-outs are financed by an ever shrinking taxable base and the printing machine ...

Also, I should mention recent budgetary pain points in Europe: Migration, Aging, Anti-Terror, Defense and financial bail-outs. Non-performing loans and unfunded pension plans are lurking in the dark while Maastricht’s guidelines have been broken more than a 100 times. Room for policy adjustment dwindles and clear answers are not abundant while paradox is. In the court of public opinion, emotions supersede facts and the latter become irrelevant in the worst case.

Looking ahead, this is a challenging stage setting for a closely held company. How do we position ourselves?
Well, Schindler does not strive to be a Rock-Star, just rock solid.

Let me highlight some of our operational milestones: Equity at Schindler Holding exceeds 83%, while at Group level, equity reached 50% after deduction of our net liquidity (CHF 2.6 billion). To put this into perspective, one should remember that Schindler Holding has returned more than CHF 5.4 billion to its shareholders since the turn of the century (dividends, buy-backs, etc.). Moreover, at the end of January 2017 our market capitalization stood at CHF 20 billion vs. about CHF 0.2 billion in 1981 when I became head of Corporate planning.

EBIT now exceeds CHF 1 billion, while our margin reached 11.5% in 2016 (before one off items). Due to FX conversion losses since 2008, our operating revenue 2016 is understated by approx. CHF 3 billion (≈ 30%), while our EBIT took a hit of over CHF 400 million. Without these headwinds, we would have reached my long-term after-tax profit goal of CHF 1 billion – it is there, but sadly, we cannot see it. Our dividend proposal for 2016 of about CHF 539 million (including the proceeds of the sale of ALSO) is the equivalent of our 1981 market capitalization multiplied by 250%.

Despite softer demand for new installations, Schindler could increase both its order intake and its consolidated operating revenue as reported on page 6. Our ability to increase our order intake by 4.6% FX adjusted (4.1% reported) in a soft market is a strong incentive to work even harder to further enhance product acceptance and competitive pricing.

ALSO has performed above expectations and by the end of January 2017, only 20% of our Exchangeable Bond have not yet been converted; soon Schindler Holding Ltd. will therefore be a pure player. ALSO’s market capitalization now exceeds CHF 1.2 billion, more about that on page 56 and 57.

Our new escalator and elevator plants in Jiading, Shanghai, are built and operate in full swing despite a recent contraction in the Chinese New Installation market. Also, our plants have been awarded the LEED Silver certification. Please refer to page 54.

Solar Impulse finally made it around the world without a single drop of fuel. Clean Technology and sustainability are essential building blocks of our core values and as a main sponsor of Solar Impulse, we are proud that the plane’s many world records send a clear message about the power of innovation. More information is available on page 68.



Schindler's cooperation with General Electric is, without any doubt, our most important game changing event of the year. General Electric is not only the largest American industrial Group but also the most advanced manufacturer of remotely monitored, highly complex machines such as jet turbines. Over various hierarchical levels, relevant component data is being collected by sensors, analyzed and finally interpreted by GE's "Predix" algorithm to improve both, product availability as well as continuous product redesign. "Internet of Things" is not a mere buzz word, it will dramatically enhance Schindler's product performance, design and offering. More about that on page 62 and 63.

Life is borrowed time and no matter what has been achieved to date, much remains to be done. Personally, this was a challenging marathon, not 40 kilometers but rather 40 years. It is now time to say good bye and thank you.

Thank you first of all to all our customers and especially so to our repeat customers: they are our only mainspring. Thank you as well to all my colleagues at "BOD", "KL" and "KG" level who were instrumental in building and managing what has become a truly global family.

Next, I would like to express my heart felt gratitude to all our employees who design, sell, make, maintain and support our products in the field, world-wide. Local safety, local quality, local productivity and local growth rest in your able hands: time and again your dedication has created value for all of our stakeholders. Finally, a very special reverence goes to our subsidiaries who had to address complex operational tasks in 2016: you did so with great determination and skill. Your success is a lighthouse for all of us.

Now let's look forward and think very big; with innovation, passion and perseverance – our future is bright.

The caravan will move **ON**, with Mr. **Oetterli** and Mr. **Napoli**

Alfred N. Schindler

Original text in English

Schindler in brief

Business activities

Schindler was founded in 1874 in Lucerne, Switzerland, and is one of the world's leading providers of elevators, escalators, and moving walks, as well as maintenance and modernization services. 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 US, Brazil, Europe, China, and India.

Long-term strategic orientation

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 and constant innovation. To secure its strong market position over the long term, Schindler aims to permanently improve its global market coverage by expanding its own operational bases – essentially mirroring market trends.

Schindler aims to grow more rapidly than the global elevator market in the long term and therefore to ensure the success of the maintenance and modernization business. To achieve this goal, Schindler needs to continuously expand its service network in individual markets. This will enable the company to exploit the different growth cycles, to smooth out currency risks, to reduce response times in the field, and, at the same time, to increase the productivity of its service offering.

Focus on core competencies

Schindler places a clear focus on its core competencies in the elevator and escalator business in order to attract clients through innovation, quality and competitive pricing, and to continue to further increase the company's operating profit in absolute terms and relative to revenue. To help achieve this, it strives to continuously improve its operational processes, to reduce manufacturing depth, and to optimize the number of assembly components used.

Moving more than one billion people each day

'Leadership through Customer Service' is Schindler's vision, since over one billion people around the world use its products every day. These people should be able to rely on high-quality mobility solutions and services at all times. Schindler's offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for multifunctional buildings.

High level of innovation

Schindler's digital toolbox and closed-loop platform for the exchange of data that connects intelligent elevators and escalators with clients and Schindler employees in the Internet of Elevators and Escalators (IoEE) demonstrates the company's high level of innovation. As a leading digital industrial company, Schindler will invest even more resources in the smart networking of its products in the future.

Schindler has a tradition of pioneering modular and technologically leading products. 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 the various generations of The PORT Technology.

Further milestones include the company's modern traction belt technology and its InTruss technology, which enables existing escalators to be upgraded with minimal downtime.

Today, Schindler has an innovative, state-of-the-art product range featuring the Schindler 3300 elevator (residential segment), the Schindler 5500 elevator (commercial segment), and the Schindler 7000 elevator (high-rise segment) global product lines. Further urban mobility solutions, such as escalators and moving walks, complete the product range.

Success driven by employees

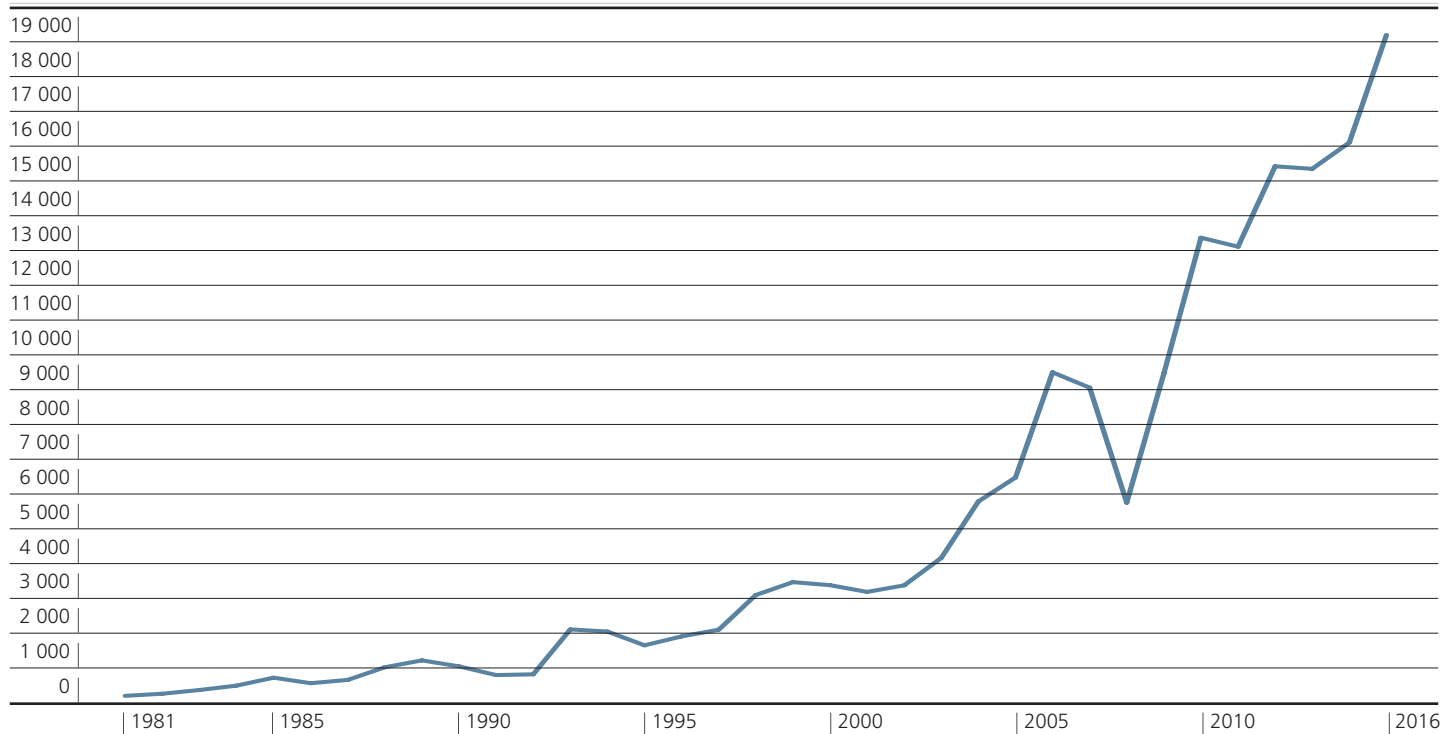
Schindler's success is driven by the great motivation, commitment, and expertise of 58 271 employees. In 2016, 58% of employees worked in the area of installation and maintenance, 7% in production, and 35% in engineering, sales, and administration.

Schindler creates 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 the company's various stakeholders.

Market capitalization 1981 to 2016 (as of December 31)

In CHF million



Key figures 2016

In CHF million	2016	2015	Δ %	Δ % local currencies
Orders received	10 374	9 967	4.1	4.6
Revenue	9 683	9 391	3.1	3.6
Operating profit (EBIT)	1 133	1 002	13.1	13.9
in %	11.7	10.7		
Net income from financing and investing activities	-36	-20		
Profit before taxes	1 097	982	11.7	
Income taxes	274	235		
Net profit	823	747	10.2	
Before exceptional items				
Operating profit (EBIT)	1 110¹	1 031 ³	7.7	8.4
in %	11.5	11.0		
Net profit	766²	747	2.5	
Cash flow from operating activities	929	1 076	-13.7	
Investments in property, plant, and equipment	189	183	3.3	
As of December 31				
Order backlog	10 004	9 364	6.8	6.5
Number of employees	58 271	56 762	2.7	

¹ Gain on sale of operations in Japan: CHF 50 million, restructuring costs: CHF 27 million

² Gain on sale of operations in Japan (after taxes): CHF 31 million, revaluation gain ALSO participation: CHF 26 million

³ Restructuring costs: CHF 29 million

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

In CHF	2016 ordinary	2016 extra-ordinary	2015 ordinary
Registered share	3.00	2.00	2.70
Participation certificate	3.00	2.00	2.70

Subject to approval by the General Meeting, the dividend will be paid on March 22, 2017.

Organization

Board of Directors Schindler Holding Ltd.

As of December 31, 2016

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

Group Executive Committee

As of December 31, 2016

Thomas Oetterli	CEO
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
Andre Inerra	Americas
Michael Nilles	Chief Digital Officer
Oswald Schmid	New Installations and Supply Chain
Christian Schulz	Existing Installations
Daryoush Ziai	China



People's Daily building, Beijing, China



16 Schindler 7000
4 Schindler 5400



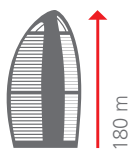
2 Schindler 9300

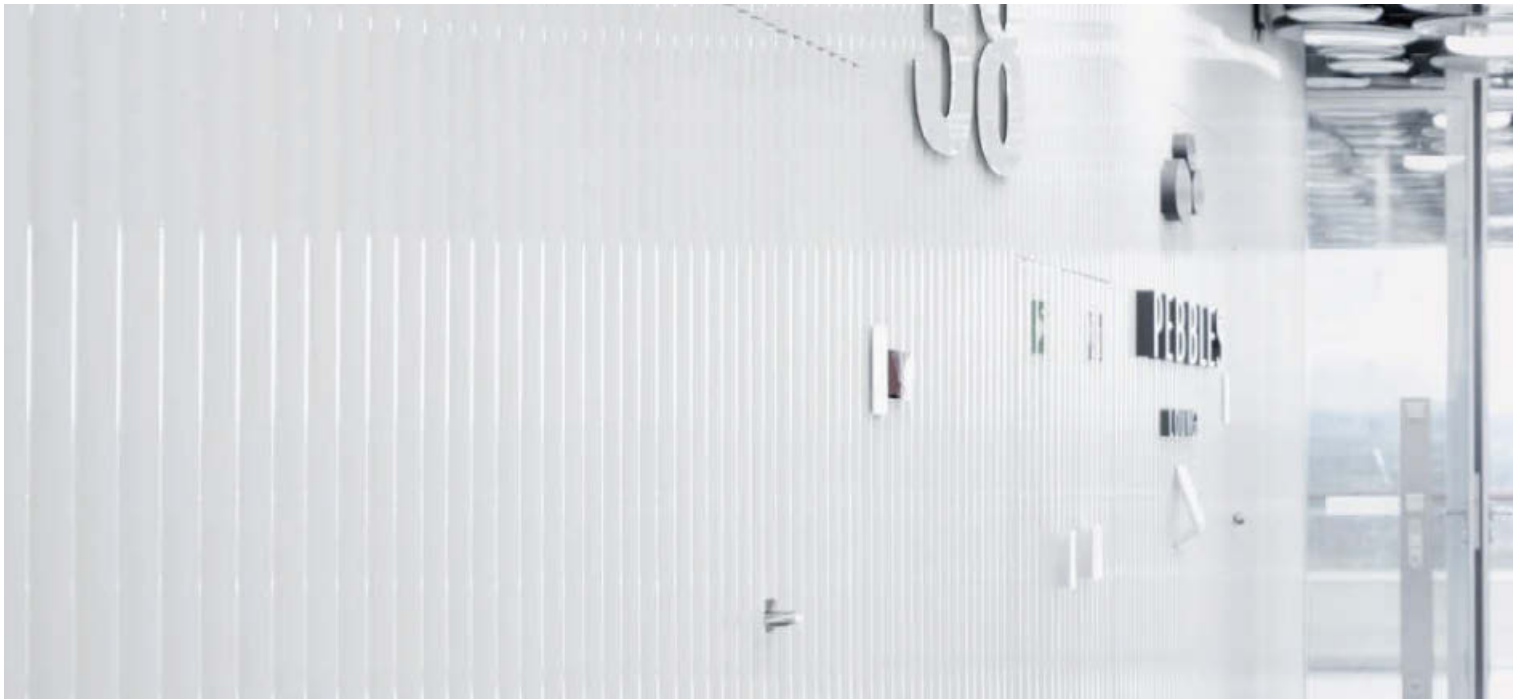


The PORT Technology



Chaoyang, the flourishing financial and embassy district of Beijing, is home to the new headquarters of China's leading daily newspaper, the People's Daily. The imposing office building has 22 Schindler installations and is equipped with The PORT Technology.





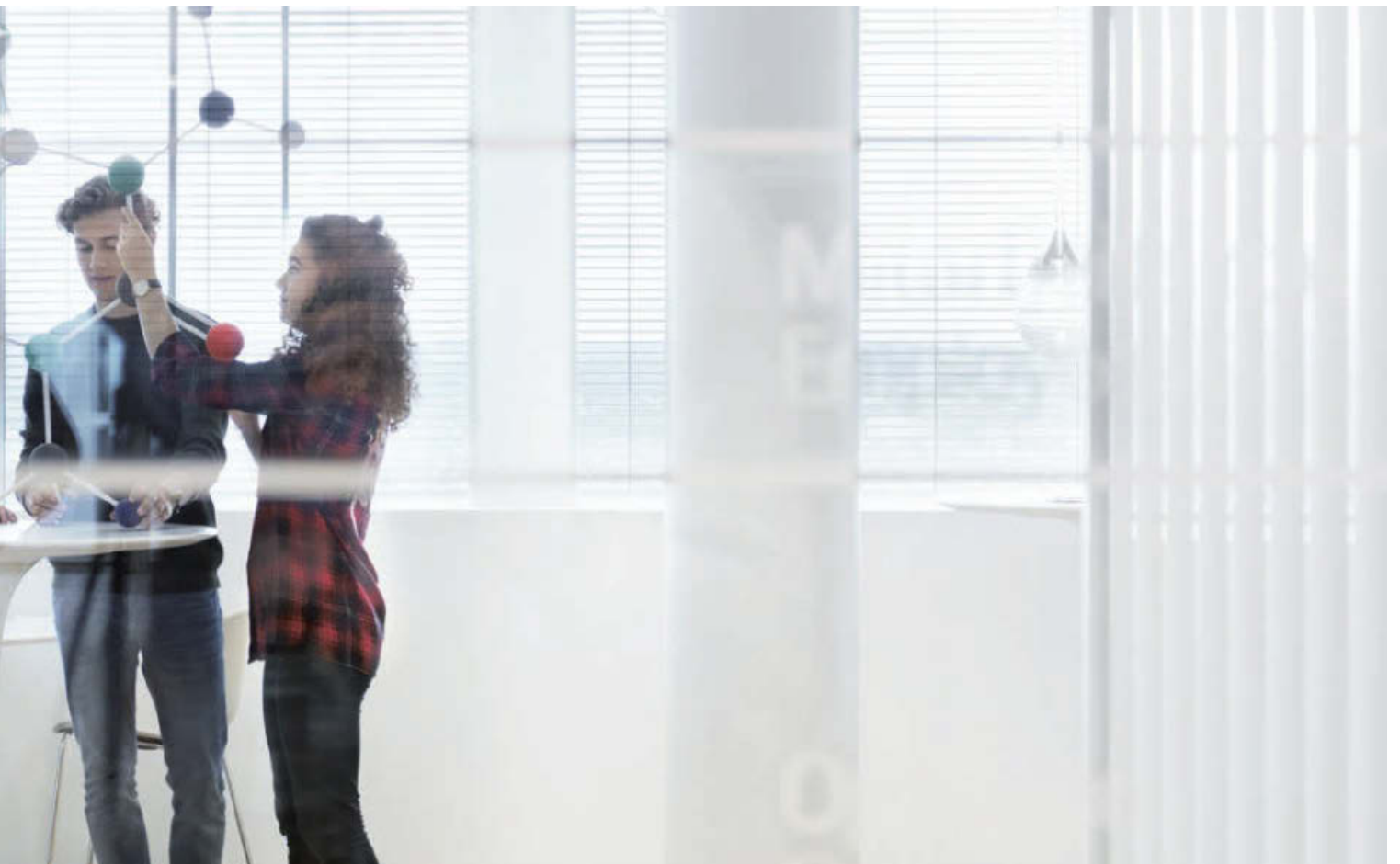
Office tower of F. Hoffmann-La Roche AG, Basel, Switzerland



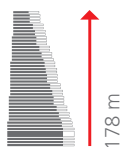
14 Schindler 7000



The PORT Technology



The new ultra-modern head office of F. Hoffmann-La Roche AG is one of the most energy-efficient office towers in Europe. The Schindler elevators installed in the building are equipped with energy recovery systems that feed unused energy back into the building's electrical grid.





Sinarmas MSIG Tower, Jakarta, Indonesia

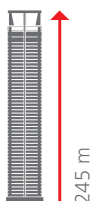

 18 Schindler 7000
 2 Schindler 5500


 2 Schindler 9300


 The PORT Technology



The Sinarmas MSIG Tower is located in the heart of Jakarta's 'Golden Triangle' – the vibrant center of the most highly populated metropolis in Southeast Asia. The 50-storey building contains first-class office space and business premises. In addition, fantastic panoramic views of the city can be enjoyed from the viewing platform.



245 m



Warsaw Spire, Warsaw, Poland



14 Schindler 7000
26 Schindler 5500



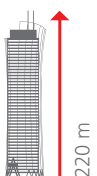
4 Schindler 9300



The PORT Technology




Warsaw Spire is not only the most prestigious building complex in Poland but also one of the largest. The complex consists of three parts, with offices as well as service and commercial areas. The 220-meter-high tower at its center is the tallest office building in the country. In addition to its futuristic architectural design, the Warsaw Spire contains Schindler elevators equipped with pioneering myPORT Technology.





Torre Reforma, Mexico City, Mexico

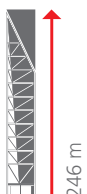
14 Schindler 7000
 1 Schindler 5500
 13 Schindler 5400
 1 Schindler 3300

 4 Schindler 9300 AE

 The PORT Technology



Reaching a height of 246 meters, the Torre Reforma is the tallest building in the city. It features state-of-the-art technology and has been awarded LEED Platinum certification – the highest rating for sustainable, green, low-polluting and low-emissions buildings. 33 Schindler installations, which are controlled efficiently by The PORT Technology, contributed to the achievement of this certification.



To the shareholders

19 Statement of the Board of Directors

Statement of the Board of Directors

Growth strategy yielding results

In a challenging environment, Schindler further strengthened its market position and achieved both strategic and operational progress. With the sale of its participation in ALSO Holding AG, it is establishing itself as a focused 'pure player'.

By entering into strategic partnerships with GE Digital and Huawei Technologies, Schindler took an important step forward in the areas of digitization and 'Internet of Elevators and Escalators' (IoEE). These alliances will allow Schindler to make targeted use of the potential of the industrial Internet and will strengthen its position as a digital industrial company. Schindler also expanded its market presence in China with the acquisition of a minority stake in the Chinese elevator company Volkslift Elevator (China) and in Germany with the acquisition of the FB Group. In addition, the acquisition of a majority stake in XJ Elevator Private Limited in Singapore will create strategic opportunities in the Asia-Pacific region.

Orders received and order backlog

In the new installations business, mixed trends were visible in markets around the globe. Markets in Europe and the USA, as well as in Asia with the exception of China and India, achieved predominantly positive growth. In Brazil, there were increasing signs that the recession has bottomed out and that a rise in demand could be expected in the medium term. However, demand in China continued to weaken. In India, the introduction of currency reforms in the fourth quarter of 2016, as well as regulatory changes in the real estate market, significantly impacted sales of new installations. In the reporting year, global demand for new installations slightly declined. In addition, underlying economic uncertainty resulted in delays in the approval of some major real estate projects.

Against the backdrop of this challenging market environment, Schindler performed well and achieved a 4.1% increase in orders received to CHF 10374 million (previous year: CHF 9967 million), corresponding to a growth of 4.6% in local currencies. The Americas region generated the largest increase, supported by healthy market conditions in the USA. A major order from the Metropolitan Atlanta Rapid Transit Authority (MARTA) is particularly worth mentioning in this context. Brazil continued to feel the effects of the severe recession. In Europe, the pleasing growth in northern countries continued. Demand in Southern Europe developed very positively. Growth in the Asia-Pacific region was impacted by the weakening of the new installations business in China and India. The other countries in the Asia-Pacific region produced pleasing growth rates.

The order backlog totaled CHF 10004 million as of December 31, 2016, thereby reaching a record year-end level. This represents an increase of 6.8% from the order backlog of CHF 9364 million as of December 31, 2015, which is equivalent to growth of 6.5% in local currencies.

Revenue

Revenue rose by 3.1% to CHF 9 683 million (previous year: CHF 9 391 million), corresponding to an increase of 3.6% in local currencies. The Europe region made the largest contribution to growth, followed by the Americas and Asia-Pacific. The modernization and service businesses achieved pleasing growth rates across all regions.

Operating profit

Operating profit (EBIT) totaled CHF 1 133 million (previous year: CHF 1 002 million). This represents an improvement of 13.1% and is equivalent to growth of 13.9% in local currencies.

The EBIT margin rose to 11.7% (previous year: 10.7%). Before exceptional items and restructuring costs, the EBIT margin was 11.5% (previous year: 11.0%). The margin increase was mainly attributable to efficiency and cost optimization.

Net profit and cash flow

Net profit totaled CHF 823 million, representing an increase of 10.2%. Before exceptional items (revaluation of the participation in ALSO and sale of operations in Japan), net profit amounted to CHF 766 million (previous year: CHF 747 million).

Cash flow from operating activities decreased by 13.7% to CHF 929 million (previous year: CHF 1 076 million), as net working capital increased compared to the low level in the previous year.

Employees

The number of employees globally totaled 58 271 at the end of 2016, an increase of 2.7%. New positions were created in all regions, with the largest increase in the dynamic growth markets of the Asia-Pacific region.

Schindler Holding Ltd.: profit and dividend

Schindler Holding Ltd. closed the financial year 2016 with a net profit of CHF 519 million (previous year: CHF 490 million). To the forthcoming General Meeting of March 16, 2017 the Board of Directors proposes – per registered share and participation certificate – the payment of an ordinary dividend of CHF 3.00 as well as an extraordinary dividend of CHF 2.00 linked to the sale of ALSO.

Handover to a new generation of managers

As already announced in detail at the media conference on January 15, 2016, the following organizational changes have been initiated: After 40 years on the Board of Directors, including 26 years as CEO and 22 years as Chairman of the Board of Directors, Alfred N. Schindler decided to step down as Chairman at the General Meeting of Shareholders of March 16, 2017. Silvio Napoli was elected to the Board of Directors at the General Meeting of Shareholders of March 22, 2016, and handed over the role of CEO to his successor Thomas Oetterli on April 1, 2016. The composition of the full-time Supervisory and Nomination Committee is as follows with effect

from the General Meeting of Shareholders of March 22, 2016: Alfred N. Schindler (Chairman), Prof. Dr. Karl Hofstetter, and Silvio Napoli. At the forthcoming General Meeting of Shareholders of March 16, 2017, Silvio Napoli will be proposed for election as the new Chairman of the Board of Directors.

Outlook for 2017

The long-term drivers of growth in the elevator and escalator business remain intact: advancing urbanization, the increasing purchasing power of the middle classes, the aging population, and the growing use of energy-efficient products. However, economic conditions in 2017 will continue to be influenced by high levels of political and macroeconomic uncertainty.

Schindler will move ahead with the focused implementation of its growth strategy and its measures to further enhance productivity. In view of the large order backlog, an increase in revenue of between 3% and 5% in local currencies is expected for 2017. A forecast concerning its net profit for 2017 will be provided together with the publication of the half-year results.

Schindler thanks its employees and customers

The improved financial result achieved by Schindler is attributable to the great motivation, commitment, and expertise of 58271 employees. With their hard work, they successfully drove forward the targeted execution of Schindler's strategy. The Board of Directors and the Group Executive Committee wish to express their sincere thanks to all employees for their exemplary efforts, flexibility, and loyalty. We also wish to thank our customers and business partners around the globe for their constructive cooperation and for the trust they have placed in Schindler over the years.



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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More than half of the world's population now lives in cities and urbanization is set to continue according to a study by the United Nations, which estimates that by 2030, a further 1.1 billion people will migrate from rural regions to urban centers. As a result of this trend, the concentration and height of buildings is increasing to make maximum use of the limited space available in densely populated areas. At the same time, there is a need to optimize the flow of large numbers of people. The growth of the middle class and the aging of the population in industrialized nations and emerging markets are further trends that will lead to a rise in the demand for mobility solutions. In addition, the use of energy-efficient and user-friendly technologies in buildings will increase.

As a responsible company, Schindler is committed to operating sustainably. Its inclusion in the SXI Switzerland Sustainability 25 Index of the SIX Swiss Exchange – which comprises the 25 most sustainable companies from the SMI Expanded Index – is confirmation of this commitment. Schindler was also named the best Swiss newcomer in the Carbon Disclosure Project, which is further recognition of the progress it has achieved in this key area.

Focus on employees

Schindler strives to attract and retain the best talents over the long term. By providing an open, communicative working environment and challenging roles, Schindler creates the necessary basis to allow employees to develop their skills and realize their potential. The company also invests in the training and development of employees at all levels and across all functions to enable them to reach their professional and personal goals. Schindler created more than 1 500 new positions in the reporting year and had a total of 58 271 employees at the end of 2016.

Focus on customers

With elevators, escalators, and moving walks, as well as its transit management systems, Schindler offers new installations, maintenance, and modernization solutions to meet the challenges of the future. As a specialist in urban mobility, Schindler is committed to making tomorrow's world a better place to live. Customers, business partners, and users can rely on the quality, performance, and safety of its products. Schindler is proud that each day, more than one billion people around the globe place their trust in its mobility solutions.

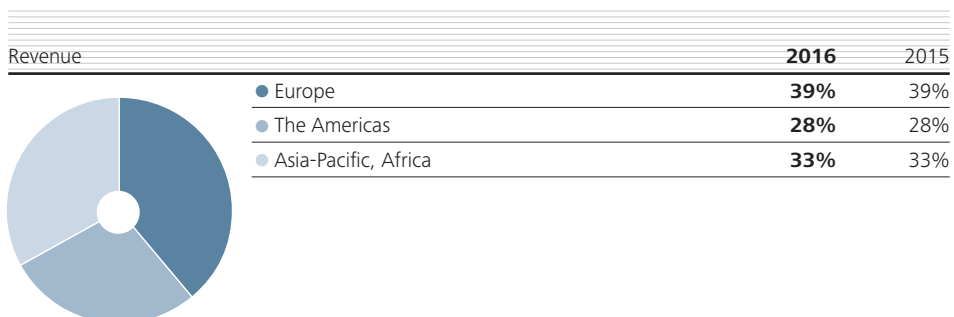
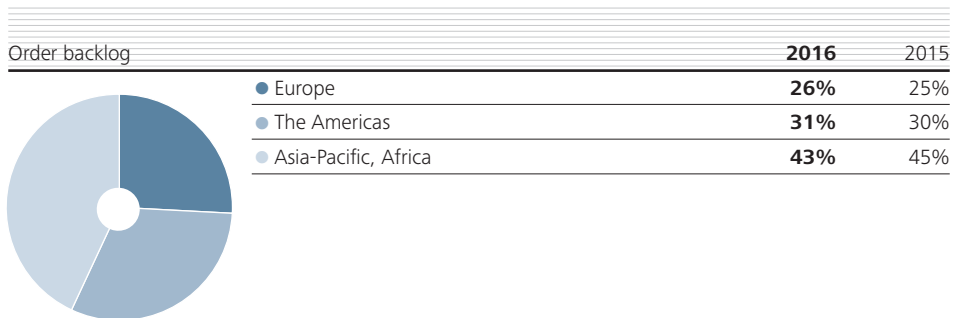
Focus on growth

Schindler's strategy is designed to take advantage of the opportunities offered by the market in order to generate value for the company's various stakeholders on a long-term basis.

Schindler wants to continue growing more strongly than the global market as a whole, while at the same time further increasing its operating profit in absolute terms and in relation to revenue. Progress in the areas of operational processes and strategic markets as well as the implementation of specific global initiatives form the cornerstones of Schindler's efforts to realize these goals.

The new installations market as a whole weakened in 2016. Against this backdrop, orders received increased by 4.1% to CHF 10 374 million (previous year: CHF 9 967 million), revenue rose by 3.1% to CHF 9 683 million (previous year: CHF 9 391 million), and operating profit grew by 13.1% to CHF 1 133 million (previous year: CHF 1 002 million). Compared to the previous year, the EBIT margin increased by 100 basis points to 11.7%. Operating profit in the reporting year included a gain on the sale of operations in Japan of CHF 50 million and restructuring costs of CHF 27 million. Before exceptional items, the EBIT margin was 11.5% (previous year: 11.0%).

Net profit increased by 10.2% to CHF 823 million (previous year: CHF 747 million). Before exceptional items (sale of operations in Japan and revaluation of the participation in ALSO), net profit amounted to CHF 766 million (previous year: CHF 747 million).



In the new installations business, Schindler achieved significant progress in strategic markets. In addition, with effect from April 1, 2016, the Group Executive Committee was expanded to include two functions that focus on the global development of the fast-growing and attractive service business and on the Group-wide development and implementation of the digitization strategy.

Asia-Pacific

Developments in the Asia-Pacific region during the reporting year were significantly impacted by slower economic growth and the tight real estate market in China and the short-term weakening of the Indian market. Other countries in the region achieved good growth.

China

In by far the most important elevator and escalator market globally, there were initial signs that the situation is easing. As a result of advancing urbanization and continued investment in infrastructure projects, data published by the National Bureau of Statistics of China on real estate development and sales revealed an upward trend in the reporting year. In tier 1 and tier 2 cities in particular, this led to a selective increase in construction activity – primarily in the higher price segment. Meanwhile, the situation in lower-tier cities remained challenging. As a result, demand continued to weaken in the reporting year. Schindler systematically pursued its growth strategy. Thanks to its historically strong position in tier 1 and tier 2 cities as well as rising sales figures in other areas where it recently expanded its presence, Schindler was able to further improve its market position. Its acquisition of a minority stake in the Chinese elevator company Volkslift Elevator reinforced its market presence.

India

Regulatory changes in the real estate market and the currency reforms announced unexpectedly in November 2016 delayed the development of real estate projects and led to a short-term weakening of demand in the elevator and escalator market. Schindler's business was also affected by these developments, and orders received slightly declined temporarily.

Southeast Asia and Australia

The construction sector achieved good growth rates in residential real estate and infrastructure in particular. In this positive environment, Schindler secured orders for important projects in a number of countries and generated a good level of orders received in Southeast Asia.

Middle East and Africa

Historically low oil and gas prices led to a slowdown in growth in the Middle East and to lower investment in the construction sector. A number of larger commercial real estate projects were delayed. However, demand for residential real estate in the region remained robust. Schindler performed well in this environment and achieved growth despite the challenging conditions.

Iran is one of the world's largest elevator and escalator markets and, after years of economic sanctions, has a large backlog of demand. The lifting of sanctions at the start of the year has created new growth opportunities for Schindler.

	2016	2015	Δ %	In local currencies
Revenue (in CHF million)	3 147	3 101	+1.5	+2.5
Number of employees	24 039	23 217	+3.5	
Countries	28	29		
Production sites	5	5		

The Americas

North America

The US construction sector continued to experience dynamic growth, generating positive growth rates in 2016. The demand for residential property, public buildings, and infrastructure was mainly driven by ongoing urbanization. As a result of the upturn in the economy, falling unemployment data, and declining vacancy rates in commercial properties and office space, there was also a further increase in construction activity in the area of commercial real estate.

Schindler's business performed very well in this favorable operating environment. The newly launched machine room-less elevators in the Schindler 3000 series for the low-end market segment met with a very positive response from the market. They represent a cost-effective alternative to hydraulic elevators for low-rise buildings. The Schindler 5500 mid-rise elevator that was launched in the previous year generated a high volume of sales. The maintenance and modernization business also delivered further growth. A major order for the modernization and maintenance of 109 elevators and 116 escalators in 38 stations in the rapid transit system of the Metropolitan Atlanta Rapid Transit Authority (MARTA) is particularly worth mentioning in this context. Digital service products that provide online and mobile access to portfolio data and allow remote monitoring attracted a positive response from customers.

Latin America

In the reporting year, the economies of some markets in Latin America remained under pressure due to continued low commodity prices and predominantly weak currencies. In addition, the demand for mortgages in the region slowed as a result of the rise in key interest rates announced by several central banks. Signs that the recession in Brazil has bottomed out and the positive development of construction activities in Mexico brightened the general picture somewhat and were a source of hope regarding the medium-term outlook. In the reporting year, however, the development of real estate markets and of the elevator and escalator business was subdued. Despite these conditions, Schindler delivered an increase in orders received compared to the previous year and succeeded in maintaining a leading position in Brazil, which is the largest market in the region.

	2016	2015	Δ %	In local currencies
Revenue (in CHF million)	2 726	2 636	+3.4	+3.8
Number of employees	13 801	13 728	+0.5	
Countries	12	12		
Production sites	3	3		

Europe

The European real estate market grew slightly in the reporting year. The level of activity in the areas of commercial real estate, public buildings, and infrastructure was stable compared to the previous year. Despite continued economic challenges, Southern Europe saw a further recovery in construction activity in a number of countries. This recovery was supported by monetary policy measures, tax incentives, and low commodity prices. Northern Europe saw moderate growth, with very positive developments in Germany in particular. With the acquisition of the FB Group in Germany, Schindler strengthened its market presence in the high-end segment with customized solutions as well as in the modernization business.

Overall, Schindler delivered a pleasing performance despite persistent pricing pressure, and orders received continued to grow.

	2016	2015	Δ %	In local currencies
Revenue (in CHF million)	3 810	3 654	+4.3	+4.4
Number of employees	20 431	19 817	+3.1	
Countries	38	38		
Production sites	5	5		

Focus on innovation

Schindler's global Research & Development (R&D) network generates numerous ideas, technologies, and concepts each year. In the area of product development, the results of market analysis and customer research, as well as aspects such as ergonomics and aesthetics, are taken into account. Prior to their launch, products undergo extensive testing to ensure they meet the very highest standards. For example, the newly launched cost-effective elevator solutions tailored specifically to the Chinese market met with a high level of acceptance in the market. The Schindler 7000 elevator has been further developed and features an enhanced mobility concept with maximum flexibility in terms of planning, and reduced energy-consumption.

In the reporting year, Schindler made substantial investments in the development of its digitization strategy. The agreement of strategic partnerships with GE Digital and Huawei Technologies were two further milestones in its efforts to drive forward its own activities relating to the Internet of Things, predictive analysis, and machine learning. Schindler has thus strengthened its position as a leading digital industrial company that produces elevators and escalators. Intelligent digital solutions allow for the improved remote monitoring and the predictive maintenance of Internet-enabled elevators by Schindler, ultimately increasing the availability of installations during daily operations. These digital solutions also provide insights that can be used to further improve the design of products and to develop new digital offerings.

In 2016, Schindler invested a total of CHF 141 million in R&D. Investments in property, plant, and equipment totaled CHF 189 million. In Shanghai, Schindler moved into its new head office for China and a new R&D center on the Jiading campus.

Examples of significant orders



432 Park Avenue, New York, USA

The Tower at PNC Plaza;
Pittsburgh, USA

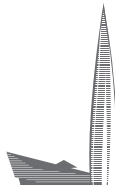
Metropolitan Atlanta Rapid
Transit Authority (MARTA);
Atlanta, USA

Park Tower at Transbay;
San Francisco, USA

Sigma;
Bogotá, Colombia

Santos Augusta;
São Paulo, Brazil

One Manhattan West;
New York, USA



Lakhta Center, St. Petersburg, Russia

South Bank Tower;
London, UK

Omniturm;
Frankfurt, Germany

Barco One Campus;
Kortrijk, Belgium

Pontsteiger;
Amsterdam, Netherlands

Wiggispark;
Netstal, Switzerland



Wuhan Greenland Center, China

China Shipping Mansion;
Shanghai, China

Hangzhou Ocean International;
Center & Ocean Plaza,
Hangzhou, China

China Unicom Operation Base
of Southern China; Shanghai, China

Delhi One; Noida, India

Studio City; Macau, China

Victorian Comprehensive Cancer
Centre; Melbourne, Australia

Serenia Residences The Palm;
Dubai, United Arab Emirates

Americas

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Europe

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Asia-Pacific
and Africa

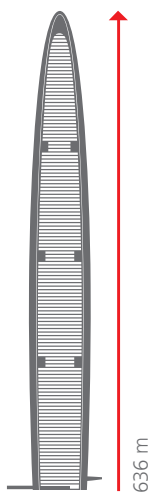
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Examples of significant orders in Asia-Pacific and Africa

Wuhan Greenland Center in Wuhan

636 meters tall, with 119 stories and over 300 000 m³ of floor space – superlatives will be needed to describe the Wuhan Greenland Center. Once completed, it will be one of the tallest buildings in the world. In view of its vast height, it will have an extremely efficient aerodynamic profile. The multifunctional tower in the center of Wuhan will contain office space, luxury apartments, and shopping facilities, as well as a five-star hotel. With over 130 installations, Schindler is the main supplier of elevators and escalator.



Wuhan Greenland Center



33 Schindler 7000
41 Schindler 5500



57 Schindler 9300



The PORT Technology

Wuhan was created in 1953 through the amalgamation of three cities. Located in Central China, its average temperature in summer reaches 28 degrees Celsius, making Wuhan one of the country's hottest cities.

A key industrial center, Wuhan plays an important role in the manufacture of iron and in the steel industry in particular. It is also home to one of China's most renowned universities.

The inland port on the 1250-meter-wide Yangtze River is the largest in China. In view of its geographical location between the conglomerations of Beijing, Shanghai and Guangzhou, Wuhan is a central transport hub for China's high-speed rail network.



Wuhan Greenland Center



China Shipping Mansion, office building; Shanghai, China



Hangzhou Ocean International Center & Ocean Plaza, shopping mall and office buildings; Hangzhou, China



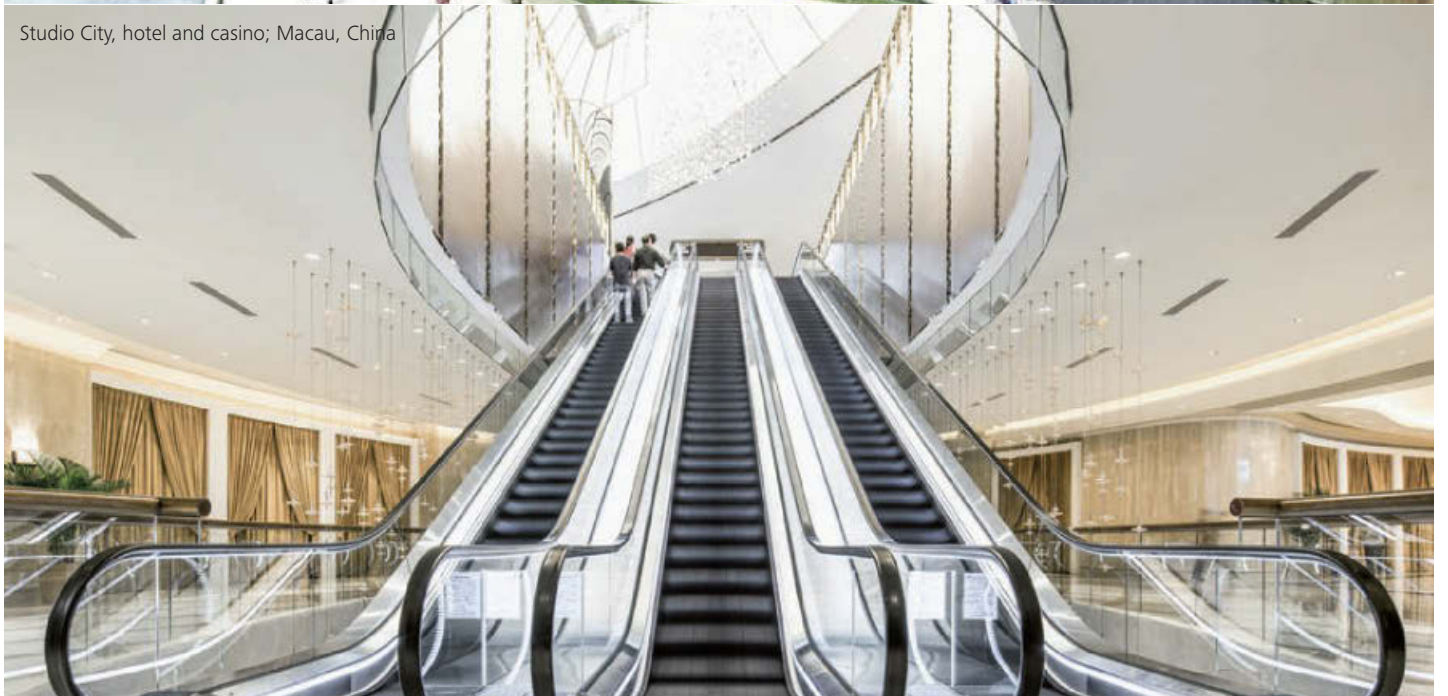
China Unicom Operation Base of Southern China, office building; Shanghai, China



Delhi One, commercial and residential buildings;
Noida, India



Studio City, hotel and casino; Macau, China



Victorian Comprehensive Cancer Centre, hospital and research center; Melbourne, Australia



Serenia Residences The Palm, residential building; Dubai, United Arab Emirates



Asia-Pacific and Africa

Cambodia	Lucky Mall, shopping mall, Phnom Penh	4 Schindler 5500 elevators, 10 Schindler 9300 AE escalators, and 2 Schindler 9500 AE moving walks
China	Star Harbour International Center, shopping mall, office and commercial buildings, Shanghai	62 Schindler 7000 elevators with The PORT Technology
	Crystal Plaza, office, commercial and residential buildings, Shanghai	86 elevators, including 49 Schindler 7000, of which 37 with The PORT Technology, and 37 Schindler 5500 AP, as well as 37 Schindler 9300 escalators
	Wuhan Greenland Center, shopping mall, hotel, office, commercial and residential building, Wuhan	74 elevators, including 33 Schindler 7000 with The PORT Technology and 41 Schindler 5500 AP, as well as 57 Schindler 9300 escalators
	R&D Center, Shaanxi Yanchang Petroleum, office building, Xi'an	54 elevators, including 32 Schindler 7000 and 22 Schindler 5400, as well as 2 Schindler 9300 escalators
	Fuya International Finance Plaza, office building, Nanning	41 elevators, including 22 Schindler 7000 with The PORT Technology and 19 Schindler 5500 AP, as well as 2 Schindler 9300 escalators
	Xi'an Greenland Center, tower B, office and commercial building, Xi'an	24 elevators, including 16 Schindler 7000 with The PORT Technology and 8 Schindler 5500 AP
	Nankai Mansion, office building, Shenzhen	14 Schindler 7000 elevators, including 12 with The PORT Technology
	Hangzhou Ocean International Center & Ocean Plaza, shopping mall and office buildings, Hangzhou	83 elevators, including 12 Schindler 7000 with The PORT Technology and 71 Schindler 5500 AP, as well as 62 Schindler 9300 escalators
	Tianze Outlets City Plaza, shopping mall, hotel, office and residential buildings, Fuzhou	188 elevators, including 134 Schindler 5500 AP and 40 Schindler 3300 AP, as well as 64 Schindler 9300 escalators
	Tianjin Binhai New Area Cultural Center, museum, gallery, and library, Tianjin	61 elevators, including 60 Schindler 5500 AP, and 72 Schindler 9300 escalators
	LCCenter, shopping mall, office and commercial buildings, Shanghai	58 Schindler 5500 AP elevators
	Mid City, shopping mall, hotel, office, commercial and residential buildings, Suzhou	33 Schindler 5500 AP elevators, 47 Schindler 9300 escalators, and 2 Schindler 9500 moving walks
	Shanghai Aegean Shopping Mall, Shanghai	122 Schindler 9300 escalators and 6 Schindler 9500 moving walks
	Dongyang Intime City, shopping mall, Jinhua	118 Schindler 9300 escalators and 4 Schindler 9500 moving walks
	Hefei Metro, line 2, various stations, Hefei	238 Schindler 9300 escalators
	Qingdao Metro, line 2, various stations, Qingdao	19 Schindler 5500 AP elevators and 127 escalators, including 120 Schindler 9300 and 6 Schindler 9700
	Chengdu Metro, line 1, phase 3, various stations, Chengdu	17 Schindler 5500 AP elevators and 90 Schindler 9700 escalators
	Maple Science Park, plot B/D, science park, Nanjing	79 elevators, including 71 Schindler 5500 AP and 8 Schindler 3600, as well as 4 Schindler 9300 escalators
	Anhua Mall, shopping mall, hotel, office and residential buildings, Guangzhou	33 elevators, including 29 Schindler 5500 AP, 2 Schindler 3600, as well as 85 Schindler 9300 escalators
	Changchun Metro, line 2, Changchun	28 Schindler 5500 AP elevators and 34 Schindler 9700 escalators
Wucai Yangguang City, residential buildings, Shenyang	141 Schindler 3300 AP elevators	
Lvbo Garden, residential buildings, Xiamen	139 elevators, including 1 Schindler 5500 AP and 138 Schindler 3300 AP	
Rongcheng City Village, residential buildings, Weihai	138 Schindler 3600 elevators	
Pengxin Lingyu, phase 4, residential buildings, Taizhou	104 elevators, including 47 Schindler 5500 AP and 57 Schindler 3600, as well as 4 Schindler 9300 escalators	
CIFI Xijing Garden, residential buildings, Tianjin	96 elevators, including 15 Schindler 3600 and 81 Schindler 3300 AP	
Waitan Garden, residential buildings, Nantong	93 Schindler 3600 elevators	
Chongqing Metro Circle Line, phase 1, various stations, Chongqing	31 Schindler 5500 AP elevators and 214 escalators, including 126 Schindler 9300 and 88 Schindler 9700	
Raffles City Chongqing, hotel, commercial, residential and office buildings, Chongqing	60 elevators, including 49 Schindler 7000 and 11 Schindler 5500 AP	

Asia-Pacific and Africa

Hong Kong, Macau	Wheelock developments, Lohas V, Lohas VII, KT6541, 123 Hoi Bun Road, residential and commercial buildings, Hong Kong	96 elevators, including 44 Schindler 7000, of which 12 with The PORT Technology, and 52 Schindler 5500, as well as 19 Schindler 9300 AE escalators
	Lohas Park, residential buildings, phase 4, Hong Kong	36 elevators, including 24 Schindler 7000 and 4 Schindler 5500
	Oil Street, residential buildings, Hong Kong	33 elevators, including 15 Schindler 7000, 17 Schindler 5500, and 1 Schindler 5400, as well as 4 Schindler 9300 AE escalators
	Tung Chung 2 and Tung Chung 11, residential buildings, Hong Kong	25 elevators, including 2 Schindler 7000 and 22 Schindler 5500, as well as 40 Schindler 9300 AE escalators
	Beacon Hill, residential buildings, Hong Kong	24 Schindler 5500 elevators
	21 Borrett Road, residential buildings, Hong Kong	22 elevators, including 15 Schindler 7000 and 7 Schindler 5500
	The Hong Kong Club, Hong Kong	Modernization of 9 elevators with Schindler 7000 and The PORT Technology
	Two Exchange Square, office building, Hong Kong	Modernization of 26 elevators with Schindler 7000 and The PORT Technology
	Chater House, office building, Hong Kong	Modernization of 16 elevators with The PORT Technology
	Macau Lotes, Rua Central da Areia Preta, residential buildings, Macau	24 Schindler 5500 elevators
India	Greater Noida Metro, various stations, Greater Noida	80 Schindler 9300 AE escalators
	Sargam, residential buildings, Pune	35 Schindler 5500 elevators
	Delhi One, commercial and residential buildings, Noida	43 elevators, including 12 Schindler 7000 and 31 Schindler 5500, as well as 14 Schindler 9300 AE escalators
	Flipkart, residential buildings, Bangalore	45 Schindler 5500 elevators with Miconic 10
	TDI Lake Grove City, residential buildings, Delhi	81 Schindler 3300 elevators
	State Bank of India Officers' Association (SBIOA), residential buildings, Chennai	69 elevators, including 66 Schindler 3300 and 3 Schindler 5300
	Vasantha City, residential buildings, Hyderabad	180 Schindler 3100 IN elevators
	World Trade Center, Mumbai	Modernization of 12 elevators with Schindler 5500 and Miconic 10
Indonesia	Transmart, various outlets, Jakarta	51 Schindler 2600 elevators, 59 Schindler 9300 AE escalators, and 127 Schindler 9500 AE moving walks
	Wisma Atlet, residential buildings, Jakarta	68 Schindler 5500 elevators
	Kota Kasablanka 3, office building, Jakarta	22 elevators, including 18 Schindler 7000 and 4 Schindler 5500
	West Vista, residential buildings, Greater Jakarta	22 elevators, including 10 Schindler 5500 and 2 Schindler 3300

Asia-Pacific and Africa

Malaysia	Signature Tower, commercial building, Kuala Lumpur	58 elevators, including 52 Schindler 7000 and 6 Schindler 5500, as well as 6 Schindler 9300 AE escalators
	Vervéa @ Aspen Vision City, phase 1 and 2, commercial building, Penang	442 elevators, including 437 Schindler 3300 and 5 Schindler 5500
	Pioneer Haven, parcel E, shopping mall, residential and office buildings, Kuala Lumpur	48 elevators, including 20 Schindler 7000 and 28 Schindler 3300, as well as 4 Schindler 9300 AE escalators
	Quarza Residence, residential buildings, Kuala Lumpur	15 elevators, including 8 Schindler 7000 and 7 Schindler 5500, as well as 31 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	The Henge, residential buildings, Kuala Lumpur	31 Schindler 5500 elevators and 2 Schindler 9300 AE escalators
	Harbour City, shopping malls and hotels, Malacca Island	53 elevators, including 51 Schindler 5500, as well as 94 Schindler 9300 AE escalators and 6 Schindler 9500 AE moving walks
	Central Plaza I-City, shopping mall, Selangor	20 elevators, including 15 Schindler 5500, as well as 66 Schindler 9300 AE escalators and 6 Schindler 9500 AE moving walks
Myanmar	Bo Ba Htoo Housing, phase II, residential buildings, Yangon	56 Schindler 3300 elevators
	Asia Express Bundle developments, shopping mall, hospital, and residential buildings, Yangon	20 Schindler 3300 elevators and 4 Schindler 9300 AE escalators
Philippines	One Paseo, shopping mall, Cebu	25 elevators, including 14 Schindler 7000 and 11 Schindler 5500
	Clark Green Frontier, hotel, office, commercial and residential buildings, Makati	37 Schindler 5500 elevators, 22 Schindler 9300 AE escalators, and 2 Schindler 9500 AE moving walks
	Mactan Cebu International Airport, terminals 1 and 2, Cebu	18 Schindler 5500 elevators and 12 Schindler 9300 AE escalators
	The Finance Center, office and commercial building, Makati	19 elevators, including 17 Schindler 7000 and 2 Schindler 5500, as well as 2 Schindler 9300 AE escalators
	Philam Life Tower, phase 1, office building, Manila	Modernization of 20 elevators with Schindler 7000
Singapore	Woods Square, office building	27 elevators, including 26 Schindler 5500, of which 12 with The PORT Technology, and 1 Schindler 5400, as well as 12 Schindler 9300 AE escalators
	Outpost Hotel Sentosa	21 Schindler 5500 elevators and 2 Schindler 9300 AE escalators
	TripleOne Somerset, office buildings	The PORT Technology for 12 elevators
South Korea	Haeundae LCT Tourist Resort, shopping mall, Busan	41 Schindler 9300 AE escalators
	The Star Square, shopping mall, Uiwang	4 Schindler 9300 AE escalators and 12 Schindler 9500 AE moving walks
Taiwan	The Landmark, commercial building, Taichung	12 elevators, including 10 Schindler 7000 with The PORT Technology and 2 Schindler 5500
	SHL, headquarters, office building, Taoyuan	14 elevators, including 10 Schindler 5500

Asia-Pacific and Africa

Thailand	Singha developments, including Singha complex, Esse condominiums, S condominiums, NRDD Chaopraya, SKV 36, and Sun Plaza, Bangkok	50 elevators, including 37 Schindler 7000, of which 29 with The PORT Technology, and 13 Schindler 5500, as well as 16 Schindler 9300 AE escalators
	MRT Green Line, various stations, Bangkok	52 Schindler 5500 elevators and 76 Schindler 9300 AE escalators
	IKEA, Bang Yai, shopping mall, Bangkok	19 elevators, including 2 Schindler 5500 and 17 Schindler 2600, as well as 16 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	MS Siam Tower, office building, Bangkok	15 elevators, including 8 Schindler 7000 and 7 Schindler 5500, as well as 2 Schindler 9300 AE escalators
	UOB Operation Center, office building, Bangkok	13 elevators, including 12 Schindler 5500, of which 8 with The PORT Technology, and 1 Schindler 2600
	Marriott Hotel, Pattaya	13 elevators, including 7 Schindler 7000 and 6 Schindler 5500
Vietnam	The Central, Vinhomes Central Park, phase 2 and 3, residential buildings, Ho Chi Minh City	83 Schindler 7000 elevators
	Hanoi Metro, various stations, Hanoi	40 Schindler 5500 elevators and 63 Schindler 9300 AE escalators
	Novaland residential developments, Lucky Palace, Sun Avenue, Rivergate, Tresor, Ho Chi Minh City	102 elevators, including 66 Schindler 5500 and 36 Schindler 3300, as well as 16 Schindler 9300 AE escalators
	Star AD1 and AD2, residential buildings, Hanoi	28 elevators, including 25 Schindler 5500, of which 17 with The PORT Technology, and 3 Schindler 3300
	Ecolife Capitol, phase 1–3, residential buildings, Hanoi	20 Schindler 5500 elevators and 8 Schindler 9300 AE escalators
	Su Van Hanh Complex, commercial building, Ho Chi Minh City	10 Schindler 5500 elevators and 34 Schindler 9300 AE escalators
	Estella Heights, residential buildings, Ho Chi Minh City	13 elevators, including 6 Schindler 7000 and 7 Schindler 5500, as well as 18 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	Thao Dien Gateway, residential buildings, Ho Chi Minh City	18 elevators, including 6 Schindler 7000 and 12 Schindler 5500
Australia	Etown Central, office building, Ho Chi Minh City	10 Schindler 5500 elevators with The PORT Technology
	Brisbane Skytower, residential building, Brisbane	19 elevators, including 9 Schindler 7000 and 10 Schindler 5500
	Jewel Apartments, hotel, residential buildings, shopping mall, Gold Coast	22 elevators, including 8 Schindler 7000 and 14 Schindler 5500
	Sunshine Plaza, shopping mall, Maroochydore	15 elevators, including 13 Schindler 5500, as well as 10 Schindler 9300 AE escalators and 4 Schindler 9500 AE moving walks
	60 Martin Place, office tower, Sydney	17 elevators, including 13 Schindler 7000 and 4 Schindler 5500
	140 St. Georges Terrace, office tower, Perth	Modernization of 13 elevators with The PORT Technology
New Zealand	161 Collins Street, office tower, Melbourne	Modernization of 19 elevators
	Commercial Bay, commercial building, Auckland	21 elevators with The PORT Technology, including 6 Schindler 7000 and 13 Schindler 5500, as well as 14 Schindler 9300 AE escalators
	Auckland International Airport, Auckland	9 elevators, including 2 Schindler 5500 and 5 Schindler 2600, as well as 3 Schindler 9300 AE escalators
	191 Queen Street, commercial building, Auckland	6 elevators with The PORT Technology

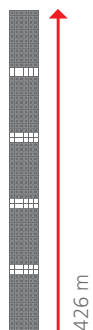
Asia-Pacific and Africa

Botswana	BURS, Botswana Unified Revenue Service, office building, Gaborone	10 Schindler 5500 elevators
Morocco	Casablanca Finance City Tower, office building, Casablanca	9 elevators, of which 7 with The PORT Technology, including 5 Schindler 7000, 2 Schindler 5500, and 2 Schindler 3300, as well as 2 Schindler 9300 AE escalators
	Casablanca Airport, Casablanca	18 Schindler 5500 elevators, 16 Schindler 9300 AE escalators, and 7 Schindler 9500 moving walks
	Mellisem, office building, Rabat	17 Schindler 5500 elevators, of which 5 with The PORT Technology
	Hilton Hotel, Tangier	9 Schindler 5500 elevators
	Menara Mall, shopping mall, Marrakesh	9 elevators, including 3 Schindler 5500 and 6 Schindler 3300, as well as 4 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	Dar Assalam, residential buildings, Rabat	30 Schindler 3300 elevators
	IKEA, shopping mall, Casablanca	5 elevators, including 3 Schindler 5500 and 2 Schindler 2600, as well as 2 Schindler 9300 AE escalators
South Africa	129 Rivonia Road, shopping mall and office buildings, Sandton	29 elevators, of which 23 with The PORT Technology, including 16 Schindler 7000 and 13 Schindler 5500, as well as 4 Schindler 9300 AE escalators
	Werksmans, office building, Sandton	6 Schindler 5500 elevators with The PORT Technology
	Cornubia, shopping mall, Durban	9 Schindler 5500 elevators
	Business Connexion, headquarters, office building, Pretoria	10 Schindler 9300 AE escalators
	Loftus Park, hotel and office building, Pretoria	12 elevators, including 2 Schindler 5500 and 10 Schindler 3300, as well as 4 Schindler 9300 AE escalators
	Public Works Department, office building, Cape Town	Modernization of 26 elevators with Schindler 5500
	Hillbrow Tower, Johannesburg	Modernization of 2 elevators
Saudi Arabia	National Guards Health Affairs, hospitals, Riyadh, Jeddah, Taif, Qassim	146 elevators, including 137 Schindler 5500 EU and 9 Schindler 2600 EU
	KAP 2E, office and residential buildings, Mecca and Medina	122 elevators, including 6 Schindler 5500 EU, 114 Schindler 3300 EU, and 2 Schindler 2400 EU
	KAP 5G4, office and residential buildings, various cities	56 Schindler 3300 EU elevators
	Ministry of Interior, headquarters, office building, Jeddah	13 Schindler 5500 EU elevators
United Arab Emirates	Citymax Hotel Al Barsha, Dubai	4 elevators, including 3 Schindler 5500 AP
	Citymax Hotel Business Bay, Dubai	6 Schindler 5500 AP elevators
	Citymax Hotel Ras Al Khaimah, Dubai	5 elevators, including 3 Schindler 5500 AP
	Serenia Residence The Palm, Dubai	12 Schindler 5500 AP elevators
	The 8, hotel, Dubai	14 Schindler 5500 AP elevators
	Saraya C32, residential tower, Abu Dhabi	5 Schindler 7000 elevators

Examples of significant orders in the Americas

432 Park Avenue in New York

As the tallest residential building in the western hemisphere and reaching a height of 426 meters, it is clearly visible in the New York skyline. The 96 stories of the impressive high-rise building at 432 Park Avenue contain more than 100 luxury apartments. It is not only its imposing height but also the particularly slim design of the building that is striking. Schindler supplied 11 elevators and 2 escalators, as well as its The PORT Technology, for this prestigious project.



432 Park Avenue



7 Schindler 7000
1 Schindler 400A
3 Customized



2 Schindler 9300 AE



The PORT Technology

New York is the epitome of a modern city: With around 20 million inhabitants in its metropolitan area and over 50 million visitors each year, New York is a very popular location. As a result, it also has the highest cost of living in the USA.

There is a boom in luxury apartments with panoramic views of the city at present.

New York is the most important financial center in the world. Wall Street is home to the world's two largest stock exchanges, the New York Stock Exchange and NASDAQ.

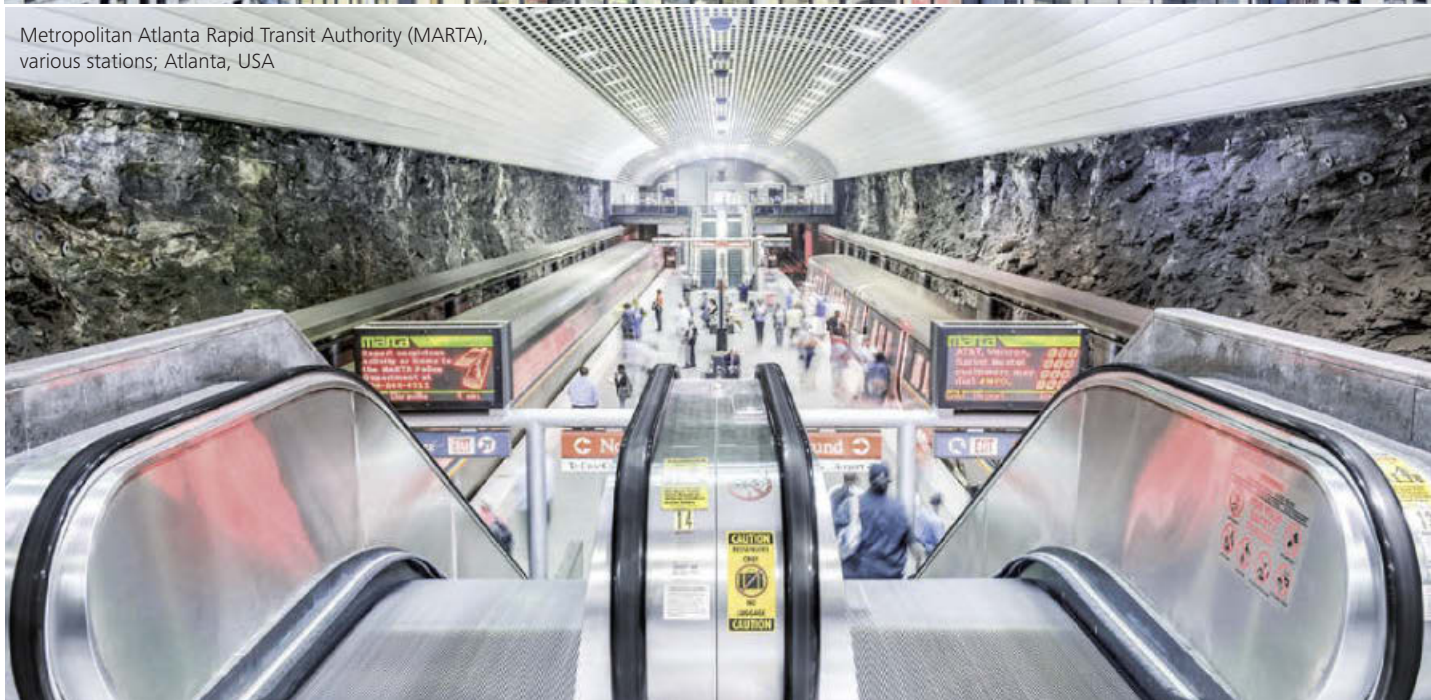


432 Park Avenue





Metropolitan Atlanta Rapid Transit Authority (MARTA), various stations; Atlanta, USA



Park Tower at Transbay, office and commercial building; San Francisco, USA



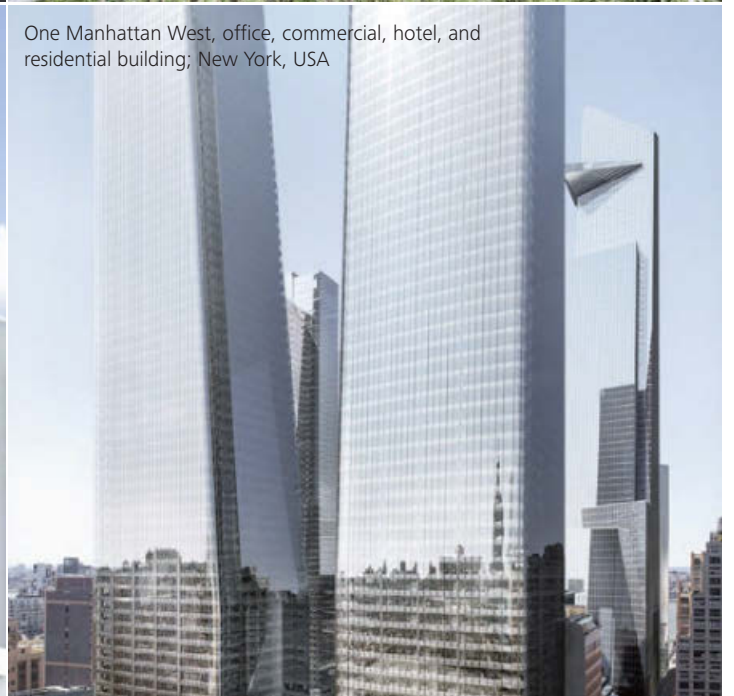
Sigma, office building; Bogotá, Colombia



Santos Augusta, commercial building; São Paulo, Brazil



One Manhattan West, office, commercial, hotel, and residential building; New York, USA



The Americas

California	Del Amo Fashion Center, shopping mall, Torrance	3 Schindler 330A elevators and 2 Schindler 9300 AE escalators, as well as maintenance contract for 14 elevators and 10 escalators
	Academy Museum of Motion Pictures, Los Angeles	7 elevators and 10 Schindler 9300 escalators
	Aven Tower, residential building, Los Angeles	5 Schindler 7000 elevators with The PORT Technology
	2000 Avenue of The Stars, commercial building, Los Angeles	18 elevators and 18 escalators
Florida	Orlando International Airport, Orlando	17 elevators, including 4 Schindler 5500, as well as 16 Schindler 9300 escalators
	Fort Lauderdale-Hollywood International Airport, terminal 1 and 4, Fort Lauderdale	21 elevators, including 18 Schindler 300A and 1 Schindler 3300, as well as 11 Schindler 9300 escalators and 5 Schindler 9500 moving walks
	Miami Marriott Dadeland, hotel, Miami	Modernization of 9 elevators, including 6 with The PORT Technology
	200 West Forsyth Street BB&T, office building, Jacksonville	Modernization of 9 elevators, including 6 with The PORT Technology and 3 Schindler 6400
	Jackson Memorial Hospital, Miami	Maintenance contract for 22 elevators
Georgia	Metropolitan Atlanta Rapid Transit Authority (MARTA), various stations, Atlanta	Modernization of 109 elevators and 116 escalators
Hawaii	DFS Galleria, shopping mall, Waikiki, Honolulu	Modernization of 5 elevators and 7 escalators with Schindler InTruss
	Royal Hawaiian Center, shopping mall, Honolulu	Maintenance contract for 9 elevators and 24 escalators
Illinois	181 West Madison Street, office building, Chicago	Modernization of 25 elevators
	Grant Tower, residential building, Chicago	13 elevators, including 8 Schindler 7000 and 5 Schindler 330A
Louisiana	Louis Armstrong New Orleans International Airport, New Orleans	17 elevators, including 11 Schindler 330A and 6 Schindler 3300, as well as 11 Schindler 9300 AE escalators
Massachusetts	MGM Springfield, hotel and casino, Springfield	21 elevators, including 19 Schindler 5500, as well as 3 Schindler 9300 AE escalators
Michigan	David Stott Building, residential building, Detroit	Modernization of 4 elevators with The PORT Technology
Missouri	West County Center, shopping mall, Des Peres	Maintenance contract for 10 elevators and 14 escalators
Nevada	Caesars Palace, convention center, Las Vegas	Modernization of 8 escalators with Schindler InTruss
	Flamingo, hotel and casino, Las Vegas	Modernization of 11 elevators
New Jersey	1000 Harbor Boulevard, office building, Weehawken	Modernization of 10 elevators
	Harrah's Resort Atlantic City Waterfront Conference Center, Atlantic City	6 elevators, including 4 Schindler 400A, and 4 Schindler 9300 escalators
	Edison Storage Battery Company Building, residential and commercial building, West Orange	7 elevators, including 4 Schindler 5500 and 3 Schindler 3300
New York	685 First Avenue, residential building, New York	8 elevators, including 7 Schindler 7000, of which 3 with The PORT Technology, and 1 Schindler 330A
	Brooklyn Navy Yard Dock 72, office building, Brooklyn	13 elevators, including 12 Schindler 7000 with The PORT Technology and 1 Schindler 5500
	Empire Outlets, shopping mall, hotel, commercial and residential buildings, Staten Island	16 elevators, including 7 Schindler 330A and 9 Schindler 5500, as well as 18 Schindler 9300 AE escalators
	875 3rd Avenue, office and commercial building, New York	Modernization of 12 elevators with Schindler ID and The PORT Technology, as well as 4 escalators with Schindler 9600 InTruss
	Westfield WTC, retail mall, New York	Maintenance contract for 18 elevators and 11 escalators
	Brooklyn Army Terminal, multiple usage, Brooklyn	Maintenance contract for 47 elevators

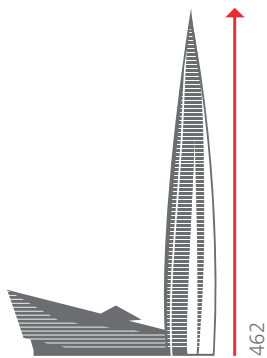
The Americas

North Carolina	Security National Properties, office building, Greensboro	Maintenance contract for 27 elevators
	Wake Forest University, Winston-Salem	Maintenance contract for 93 elevators
Oregon	Broadway Tower, hotel, office and commercial building, Portland	9 Schindler 5500 elevators with The PORT Technology
Pennsylvania	One Oxford Centre, office building, Pittsburgh	Modernization of 27 elevators, including 18 with The PORT Technology
	Port Authority of Allegheny County, public transportation, Pittsburgh	Maintenance contract for 35 elevators and 17 escalators
	Tower 6, commercial building, Allentown	3 Schindler 5500 elevators with The PORT Technology
	Harrah's Philadelphia, casino, Philadelphia	Maintenance contract for 19 elevators and 12 escalators
Utah	Salt Lake City International Airport, Salt Lake City	49 elevators, including 47 Schindler 5500 and 1 Schindler 3300, as well as 19 Schindler 9300 escalators and 18 Schindler 9500 moving walks
	The Gateway, shopping mall, Salt Lake City	Maintenance contract for 13 elevators and 16 escalators
Washington	Boeing, multiple sites in Washington and Oregon	Maintenance contract for 327 elevators and 26 escalators
Washington D.C.	655 New York Avenue, office building, Washington D.C.	25 elevators, including 4 Schindler 330A and 21 Schindler 5500 with The PORT Technology, as well as 2 Schindler 9300 AE escalators
Wisconsin	777 N. Van Buren Street, residential building, Milwaukee	6 elevators, including 3 Schindler 7000 and 3 Schindler 5500
Brazil	Yachthouse Residence Club, residential buildings, Balneário Camboriú	17 elevators, including 10 Schindler 7000 with The PORT Technology, 2 Schindler 5500, and 5 Schindler 3300
	United Work & Home, commercial and residential buildings, São Paulo	21 elevators, including 7 Schindler 5500, of which 6 with Miconic 10, 2 Schindler 5300, 8 Schindler 3600, and 4 Schindler 3300
	Residencial RSVP, residential buildings, São Paulo	18 elevators, including 3 Schindler 5500 and 15 Schindler 3600
	ALERJ, commercial building, Rio de Janeiro	Modernization of 16 elevators with Miconic 10
Chile	Mall Barrio Independencia, shopping mall, Santiago	19 elevators, including 14 Schindler 5500 AP and 5 Schindler 3300 AP, as well as 34 Schindler 9300 AE escalators and 8 Schindler 9500 AE moving walks
	Galería Imperio, shopping mall, Santiago	12 elevators, including 7 Schindler 5500 AP, of which 6 with The PORT Technology, and 5 Schindler 3300 EU, as well as 18 Schindler 9300 AE escalators
	Coquimbo, shopping mall, Santiago	5 Schindler 5500 AP elevators, 16 Schindler 9300 AE escalators, and 6 Schindler 9500 moving walks
	Félix Bulnes Hospital Clínico, Santiago	29 elevators, including 15 Schindler 5500 AP, 11 Schindler 3300 AP and 3 Schindler 3300 EU, as well as 4 Schindler 9300 AE escalators
	Open Kennedy, shopping mall and office building, Santiago	9 elevators, including 7 Schindler 5500 AP and 2 Schindler 2600, as well as 28 Schindler 9300 AE escalators
Colombia	Sigma, office building, Bogotá	8 Schindler 5500 elevators with The PORT Technology
Mexico	Midtown Jalisco, shopping mall, hotel, office buildings, Guadalajara	29 elevators, including 4 Schindler 7000 and 25 Schindler 5500 AP, as well as 32 Schindler 9300 AE escalators
	Mitikah, residential building, Mexico City	12 elevators, including 6 Schindler 7000 and 6 Schindler 5500 AP
	La Isla Mérida, shopping mall, Mérida	10 Schindler 5500 AP elevators and 14 Schindler 9300 AE escalators
	Liverpool Toreo, shopping mall, Mexico City	4 Schindler 5500 AP elevators and 20 Schindler 9300 AE escalators
	Altamirano, office and commercial building, Mexico City	25 elevators, of which 22 with The PORT Technology, including 7 Schindler 7000 and 15 Schindler 5500 AP

Examples of significant orders in Europe

Lakhta Center in St. Petersburg

The Lakhta Center – the tallest building in Europe – will be a multifunctional complex combining shopping facilities and restaurants with science, sports and health centers, a congress center, and a planetarium – all under one roof. The imposing high-rise building also contains premium office space. In less than one minute, Schindler high-speed elevators will transport passengers to the highest heights rapidly, comfortably, and safely.



Lakhta Center



26 Schindler 7000
3 Schindler 5500
1 Schindler 3300
10 panoramic



4 Schindler 9300 AE



The PORT Technology

St. Petersburg – formerly home to the Russian tsars – is the second-largest metropolis in Russia as well as the world's most northerly city with over one million inhabitants. With its 2 300 palaces, majestic buildings and castles, it is described as the Venice of the North. Considerable efforts have been under way since 2009 to preserve the historic fabric of the city.

The St. Petersburg metropolitan area comprises 42 islands, and 10% of its surface consists of water. This has had a significant influence on the city's architectural landscape. Two ports also make St. Petersburg one of the most important centers for the transportation of goods in Russia.

St. Petersburg

Russia



Lakhta Center



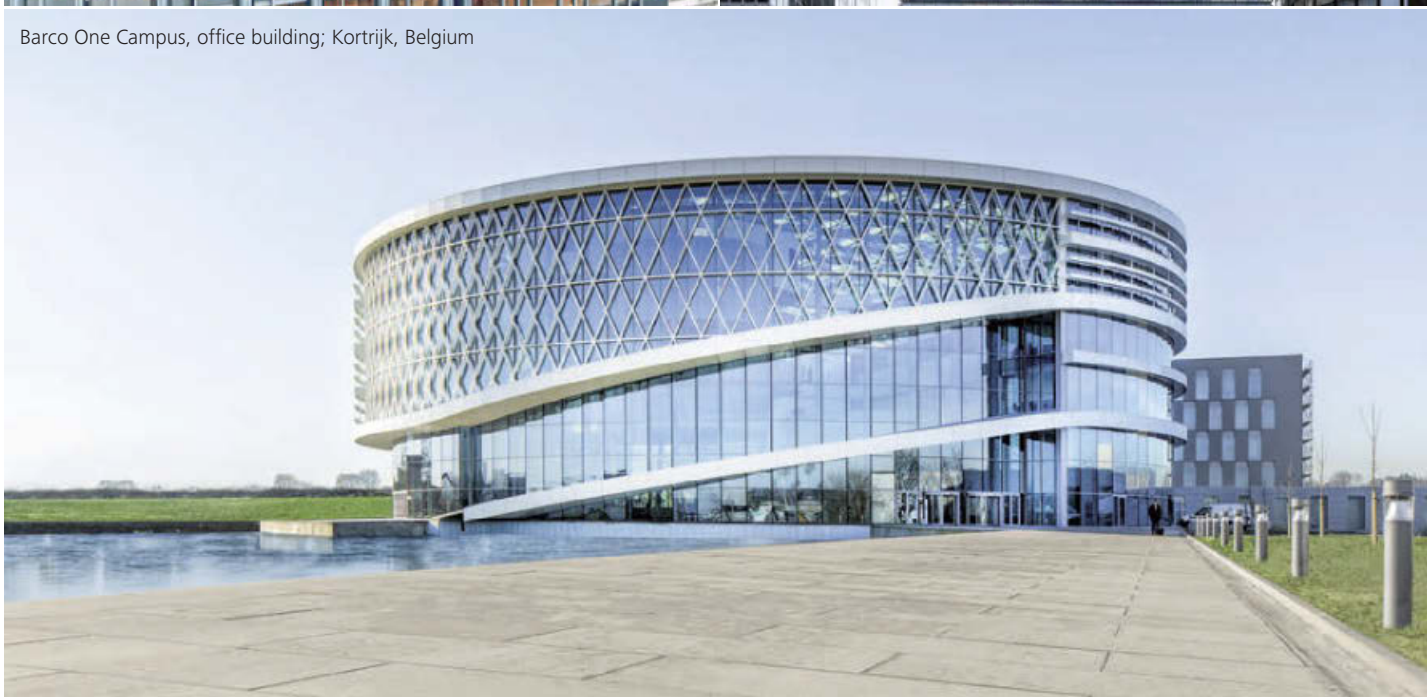
South Bank Tower, office and residential building; London, UK



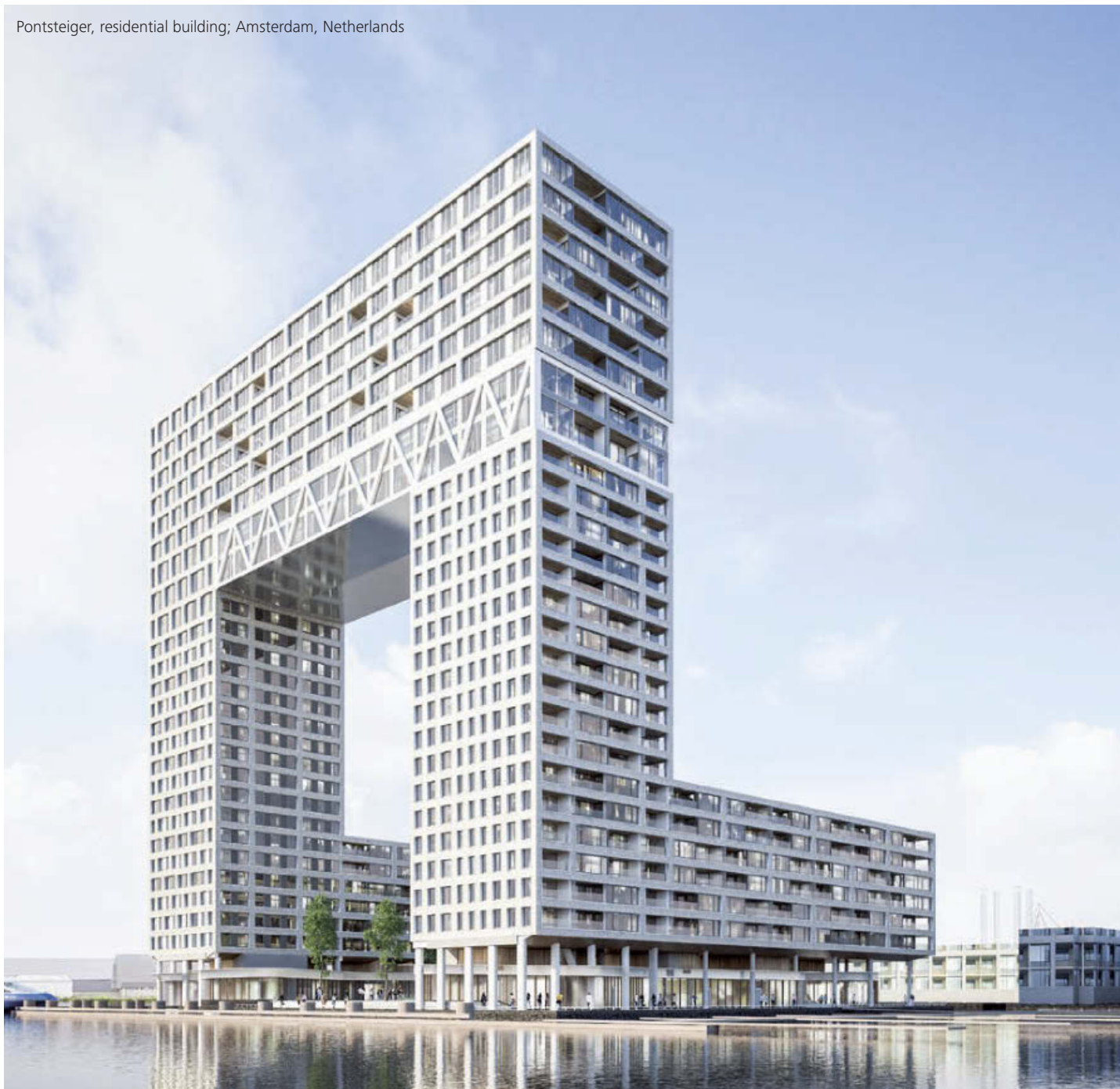
Omniturm, office and residential building; Frankfurt, Germany



Barco One Campus, office building; Kortrijk, Belgium



Pontsteiger, residential building; Amsterdam, Netherlands



Wiggispark, shopping mall; Netstal, Switzerland



Europe

Albania	Vind, shopping mall, Tirana	5 elevators, including 1 Schindler 5500 and 4 Schindler 3300, as well as 2 Schindler 9300 AE escalators
Austria	The Icon Vienna, office and commercial buildings, Vienna	26 elevators, of which 20 with The PORT Technology, including 22 Schindler 5500, 1 Schindler 3300, and 3 Schindler 2600, as well as 3 Schindler 9300 AE escalators
	Der Lärchenhof Hotel, Erpfendorf	2 Schindler 9300 AE escalators
	Weiler Möbel, Weiler	2 elevators, including 1 Schindler 5500 and 1 Schindler 2600
	tirol kliniken, A.ö. Landeskrankenhaus – Universitätskliniken Innsbruck, hospital, Innsbruck	7 Schindler 5500 elevators with Lobby Vision
Belgium	Gare de Mons, railway station, Mons	12 panoramic elevators and 14 Schindler 9300 escalators
	The One, commercial and residential building, Brussels	12 Schindler 5500 elevators, of which 6 Schindler with The PORT Technology
	Institut Jules Bordet, hospital, Brussels	22 elevators, including 19 Schindler 5500
	AZ Delta, hospital, Roeselare	29 elevators, including 18 Schindler 5500, 8 Schindler 2500, and 3 Schindler 2600
	L'Habitation Moderne WSL, residential buildings, Brussels	Modernization of 21 elevators
	La Sambrienne, residential buildings, various locations in Charleroi	Replacement of 42 elevators, 41 with Schindler 6300 and 1 with Schindler 6500
Bosnia and Herzegovina	TC Omega, shopping mall, Tuzla	Modernization of 9 escalators with Schindler 9300 AE
Croatia	SPO Kuniscak, residential buildings, Zagreb	6 Schindler 3300 elevators
Czech Republic	Mechanica, office buildings, Prague	13 elevators with The PORT Technology, including 9 Schindler 5500 and 4 Schindler 3300
	Aspira Business Center, office building, Prague	7 elevators with The PORT Technology, including 6 Schindler 5500
	AB Palmovka, commercial building, Prague	13 elevators, including 7 Schindler 5500 and 5 Schindler 3300
	Sedláčkova 26, residential building, Brno	Modernization of 12 elevators with Schindler 6300
	Mikulova 1571–1574, residential building, Prague	Modernization of 7 elevators with Schindler 6300
France	RATP, various underground stations, Paris	368 Schindler 9300 AE escalators
	Vincennes Hippodrome de Paris, racecourse, Paris	24 Schindler 9300 AE escalators
	Sky 56, office building, Lyon	7 Schindler 5500 elevators with The PORT Technology
	Saint-Gobain Tower, office building, Paris	21 elevators, including 10 Schindler 7000 with The PORT Technology and 8 Schindler 5500
Germany	Omniturm, office and residential building, Frankfurt	11 elevators with The PORT Technology, including 9 Schindler 7000 and 2 Schindler 5500
	Berliner Schloss, Humboldt Forum, museum, Berlin	25 elevators and 6 Schindler 9300 AE escalators
	Universitätsklinikum Münster, hospital, Münster	Modernization of 27 elevators, of which 14 with The PORT Technology, and 2 Schindler 9300 AE escalators
Greece	Olympia, shopping mall and office building, Athens	4 Schindler 3300 elevators and 6 Schindler 9300 AE escalators
	Sklavenitis, supermarket, Athens	Replacement of 4 moving walks with Schindler 9500 AE
Hungary	Duna Terasz, residential building, Budapest	10 Schindler 3300 elevators
	MTA Research Centre, Budapest	8 Schindler 3300 elevators
	43 Csalogány Street, residential and commercial building, Budapest	5 elevators, including 1 Schindler 5500 and 4 Schindler 3300, as well as 2 Schindler 9500 AE moving walks
	MTK Hidegkuti Nándor Stadium Budapest, stadium, Budapest	4 Schindler 3300 elevators and 2 platforms
	18 Haszkóvó Street, residential buildings, Veszprém	Modernization of 5 elevators with Schindler 6300

Europe

Italy	CityLife, Central Tower C, commercial building, Milan	16 elevators, including 10 Schindler 7000 with The PORT Technology and 4 Schindler 5500, as well as 2 Schindler 9300 AE escalators
	Adigeo, shopping mall, Verona	11 elevators, including 5 Schindler 5500, as well as 10 Schindler 9300 AE escalators and 5 Schindler 9500 AE moving walks
	High speed train station Napoli-Afragola, Naples	8 Schindler 5500 elevators, 2 Schindler 9300 AE escalators, and 4 Schindler 9500 AE moving walks
	5 cruise ships for Costa Cruises Asia, Royal Caribbean, Holland America Line	134 elevators, 14 platforms, and 4 escalators
	Cannizzaro, hospital, Catania	Modernization of 20 elevators, of which 12 with Schindler 6500 and 8 with Schindler 6300
Lithuania	MAXIMA, headquarters, office buildings, Vilnius	6 elevators, including 5 Schindler 5500 with The PORT Technology and 1 Schindler 3300
	Užupio krantinės, residential buildings, Vilnius	16 Schindler 3300 elevators
Luxembourg	Cloche d'Or, Auchan, shopping mall, Luxembourg	24 elevators, including 21 Schindler 5500 and 3 Schindler 2600, as well as 12 Schindler 9300 AE escalators and 24 Schindler 9500 AE moving walks
	Pont Rouge, train station, Luxembourg	4 elevators, including 2 Schindler 5500 and 2 Schindler 2400, as well as 8 Schindler 9300 AE escalators
	Bibliothèque nationale de Luxembourg, national library, Luxembourg	10 elevators, including 8 Schindler 5500 and 1 Schindler 2400
Montenegro	Poslovni objekat Čelebić, shopping mall and office building, Podgorica	7 Schindler 5500 elevators and 4 Schindler 9300 AE escalators
Netherlands	World Trade Center, Utrecht	8 Schindler 5500 elevators
	RAI Hotel, Amsterdam	12 Schindler 5500 elevators and 2 Schindler 9300 AE escalators
Poland	Forum Gdańsk, complex with shopping mall, entertainment and commercial buildings, Gdańsk	25 elevators, including 23 Schindler 5500 and 2 Schindler 3300, as well as 33 Schindler 9300 AE escalators and a maintenance contract for all installations
	Nowa Stacja Pruszków, shopping mall, Pruszków	8 elevators, including 5 Schindler 5500 and 3 Schindler 3300, as well as 10 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Main railway station, Warsaw	Modernization of 8 moving walks with Schindler 9500 and maintenance contract for all installations
	Bełchatowska Spółdzielnia Mieszkaniowa, residential buildings, Bełchatów	Modernization of 45 elevators with Schindler 6300, and maintenance contract for all installations
Portugal	Mango, shopping mall, Lisbon	1 elevator and 6 Schindler 9300 AE escalators
	Matosinhos Park, shopping mall, Porto	2 Schindler 3300 elevators and 4 Schindler 9500 AE moving walks
	River Terrace, residential buildings, Seixal	18 Schindler 3300 elevators
	Fundação Calouste Gulbenkian, museum, Lisbon	Maintenance contract for 31 elevators
	Lisbon University, Lisbon	Maintenance contract for 71 elevators

Europe

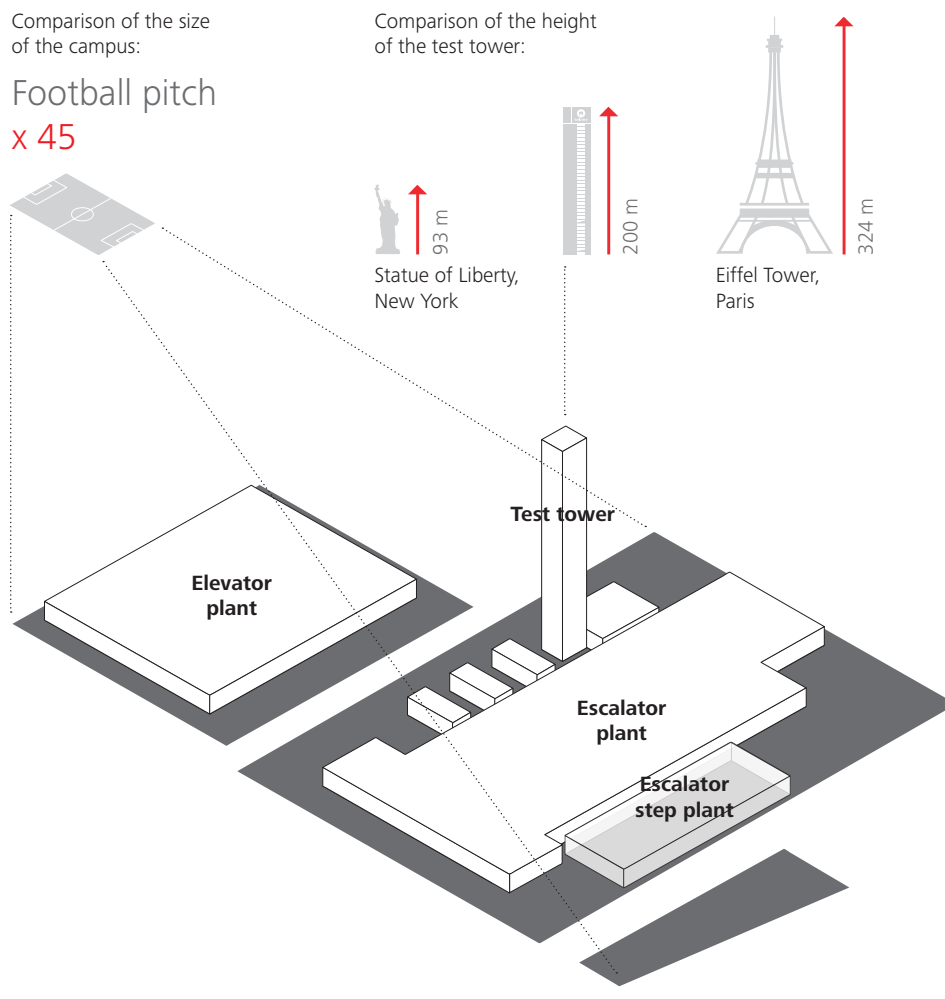
Romania	Veranda, shopping mall, Bucharest	12 elevators, including 4 Schindler 5500, 4 Schindler 3300, and 4 Schindler 2600, as well as 6 Schindler 9300 AE escalators and 16 Schindler 9500 AE moving walks
	Piața Sudului, pedestrian walkways, Bucharest	10 Schindler 5500 elevators and 4 Schindler 9300 AE escalators
	Timpuri Noi, office building, Bucharest	15 elevators, including 11 Schindler 5500 and 4 Schindler 3300
	Globalworth Campus, office building, Bucharest	8 Schindler 5500 elevators, including 6 with The PORT Technology
	Platinia, shopping mall and residential buildings, Cluj-Napoca	11 elevators, including 4 Schindler 5500, 6 Schindler 3300, and 1 Schindler 2600
Russia	Presnya City, residential buildings, Moscow	19 elevators, including 18 Schindler 7000 with The PORT Technology and 1 Schindler 3300
	MFK Subbota, residential building, Moscow	24 Schindler 5500 elevators
Serbia	PZ Sirius, office buildings, Belgrade	7 Schindler 5500 elevators
	GTC FortyOne, office buildings, phase 2 and 3, Belgrade	8 Schindler 5500 elevators
Slovakia	Panorama City II, office building, Bratislava	9 Schindler 3300 elevators with The PORT Technology
	Pri Radnici, residential building, Košice	9 Schindler 3300 elevators
	Eperia, shopping mall, Prešov	12 Schindler 3300 elevators
Slovenia	Krka RKC4, research/laboratory facility, Novo Mesto	4 elevators, including 2 Schindler 5500, 1 Schindler 2600, and 1 Schindler 2200
	VSO Zelene Jarše, residential buildings, Ljubljana	6 Schindler 3300 elevators
	Mercator, shopping malls, various cities	Maintenance contract for 134 elevators
Spain	El Corte Inglés Jaume III, shopping mall, Palma de Mallorca	14 Schindler 9300 AE escalators
	Clínica Universitaria de Navarra, hospital, Madrid	27 elevators, including 7 Schindler 5500 and 19 Schindler 3300
	Metro Madrid, various stations, Madrid	Maintenance contract for 21 elevators
	Renfe, railway network, various stations, various cities	Maintenance contract for 12 elevators and 10 escalators
	Regional Ministry of Public Administration and Treasury, office buildings, region of Pamplona and Rioja	Maintenance contract for 92 elevators
	Princesa Sofia Gran Hotel, Barcelona	Modernization of 10 elevators with The PORT Technology, including 4 with Schindler 6500 and 2 with Schindler 6300
	Hospital Universitario Severo Ochoa, hospital, Madrid	Modernization of 13 elevators

Europe

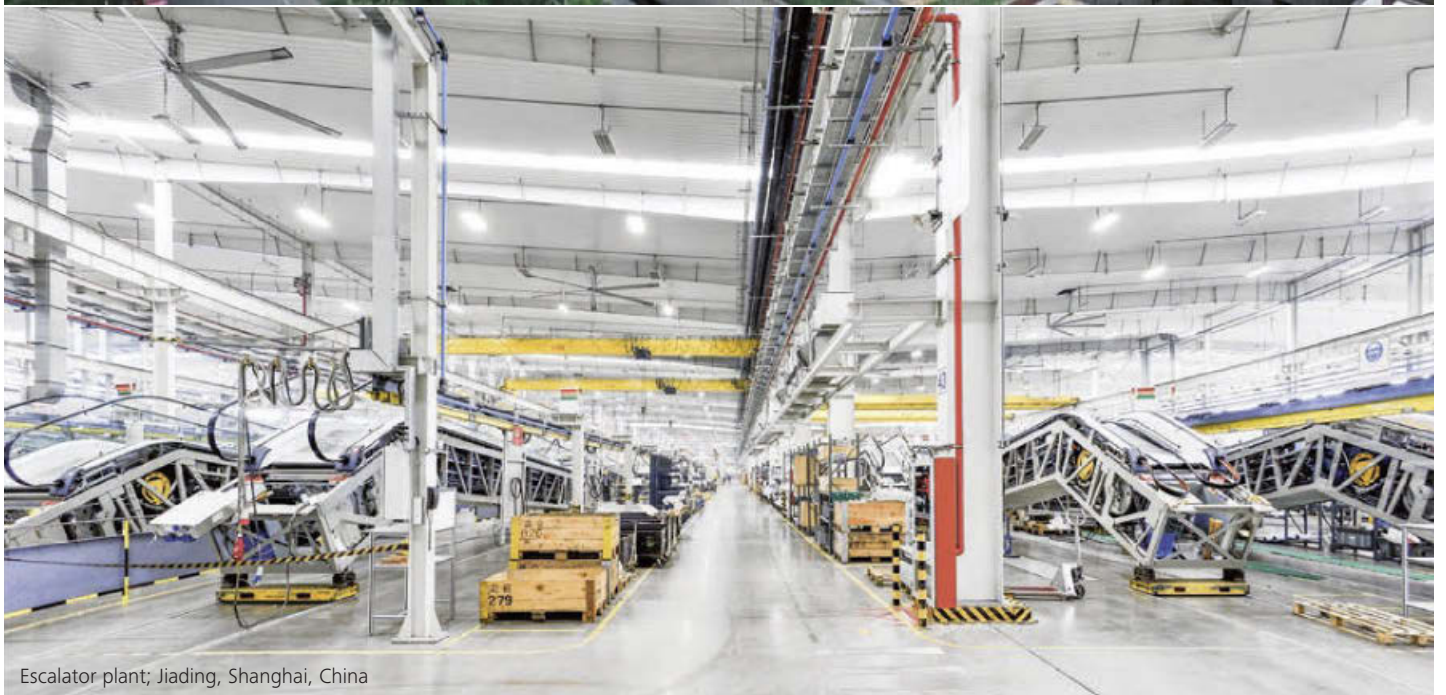
Switzerland	Kantonsspital St. Gallen, hospital, St. Gallen	38 elevators, of which 3 with The PORT Technology, including 2 Schindler 7000 and 36 Schindler 5500
	Patek Philippe, office building, Geneva	20 elevators, including 12 Schindler 5500 and 6 Schindler 2600
	UBS, headquarters, office building, Zurich	14 elevators, of which 4 with The PORT Technology, including modernization of 6 elevators
	Centre hospitalier universitaire vaudois, hospital, Lausanne	Modernization of 18 elevators, including 5 Schindler 6200, 3 Schindler 6300, and 1 Schindler 6500
	Lindt & Sprüngli (Schweiz) AG, commercial buildings, Kilchberg	Modernization of 8 elevators
Turkey	Istanbul New Airport, Istanbul	303 elevators with Lobby Vision, including 291 Schindler 5500 and 8 Schindler 2600, as well as 159 Schindler 9300 AE escalators, and 165 Schindler 9500 moving walks
	West Side, residential buildings, Istanbul	68 Schindler 3300 elevators
	Sinpaş Aydos Country, residential buildings, Istanbul	58 Schindler 3300 elevators
	Park Adana, shopping mall, Adana	7 Schindler 5500 elevators, 40 Schindler 9300 AE escalators, and 4 Schindler 9500 moving walks
	Nef 22, residential buildings, Istanbul	29 Schindler 5500 elevators and 6 Schindler 9300 AE escalators
	Pruva 34, residential buildings, Istanbul	27 elevators, including 26 Schindler 5500 with Lobby Vision and 1 Schindler 3300
	Antalya Agora AVM, shopping mall, Antalya	21 elevators, including 7 Schindler 5500 and 14 Schindler 3300, as well as 14 Schindler 9300 AE escalators and 8 Schindler 9500 moving walks
	Nlogo Istanbul, residential buildings, Istanbul	29 elevators, including 17 Schindler 5500 and 12 Schindler 3300
UK	Sainsbury's, supermarkets, nationwide	Maintenance contract for 175 moving walks
	245 Hammersmith Road, office building, London	12 elevators, of which 6 with The PORT Technology, including 11 Schindler 5500
	Brighton and Sussex University Hospitals NHS Trust, Brighton	18 elevators, including 1 Schindler 7000 and 16 Schindler 5500
	Southbank Place, office and residential buildings, London	56 elevators, of which 17 with The PORT Technology, including 6 Schindler 7000 and 46 Schindler 5500
	John Lewis, headquarters, office building, London	Modernization of 4 elevators with The PORT Technology

Schindler Campus in China (Jiading, Shanghai)

Following a construction phase of around 450 days, the new escalator plant opened in 2014 and the new elevator plant began production in 2015. Both plants achieved LEED Silver certification under the internationally recognized LEED environmental standard. The construction of Schindler City was completed in the reporting year and it achieved LEED Gold certification. Schindler City comprises a 200-meter test tower, a R&D center, a training center, and the head office of Schindler China with a showroom, canteen, and break area for employees. The only building still under construction is the escalator step plant, which will start production in 2017 – marking the end of an extremely challenging construction project in which over CHF 240 million has been invested. The result is a modern campus that meets recognized sustainability standards and has around 325 000 m² of usable space – meaning that Schindler’s local production capacity and expertise in the world’s largest new installations market are now complete.



Schindler Campus; Jiading, Shanghai, China



Escalator plant; Jiading, Shanghai, China

ALSO – from zero to one billion market capitalization in 32 years

The start-up phase

ALSO began operating in Hergiswil, Nidwalden, in 1984. The founders of the company included Bruno Gabriel, a former Schindler apprentice. The company was floated on the stock market in 1986, at a time when growth rates of 25% were expected in the PC market. Despite this, ALSO reported a financial loss in 1987 as a result of the firm having grown and expanded too rapidly. It needed to find a strong partner in both financial and business terms.

Acquisition by Schindler

In 1988, Schindler acquired a majority stake of 67% in ALSO. Thomas C. Weissman came on board with Schindler and was to manage ALSO for two decades. In 1989, Schindler carried out an urgently needed restructuring of the company it had just acquired. The situation in Germany was particularly precarious and ALSO's share price fell dramatically. In 1990, Schindler was able to report that the worst was over and that ALSO had been saved. A strategic focus was subsequently placed on Switzerland. It was not until 1995 that international expansion was back on the agenda with the construction of a logistics center in Germany.

The first billion in revenue

ALSO's revenue totaled just CHF 150 million in 1992 (first-time consolidation in the Schindler Group). In 1998 – a decade after it was acquired by Schindler – this figure increased to over CHF 1 billion. Schindler successfully steered ALSO through the recession in Switzerland and once again initiated its international expansion.

2006 marked the next major step forward: the acquisition of a majority stake in GNT Holding Oy, a Finnish company with a strong presence in Nordic and Baltic countries in particular. This acquisition made ALSO the fourth-largest ICT distributor in Europe, with revenue of over CHF 3.2 billion.

The merger

In 2011, ALSO merged with Actebis GmbH, a subsidiary of the Droege Group, creating Europe's third-largest ICT company. With the aim of focusing on its original core business with elevators and escalators in the future, Schindler held a participation of only 30% in the combined company.

The controlled exit

In 2013, Schindler issued CHF 218 million of exchangeable bonds that can be exchanged for registered shares of ALSO. The issuance was successful and the bond was eight times oversubscribed. The maturity of four years allowed for the smooth conversion of the bonds into registered shares of ALSO and gave ALSO's management sufficient time to implement its ambitious strategy to increase the value of the company. This plan was achieved due to the very successful management of the company under CEO and Chairman Prof. Dr. Ing. Gustavo Möller-Hergt. Today, ALSO brings together more than 100 000 purchasers and around 350 suppliers of hardware, software and IT services in Europe and is a market leader in 8 of the 15 European countries in which it operates.

Schindler's participation was 5.6% as of the end of January 2017 and will be reduced to zero by the maturity date of June 5, 2017. Schindler will thus become a 'pure player', delivering on the promise made by Alfred N. Schindler.



From left:
Walter P. J. Droege, Vice Chairman of the Board of Directors of ALSO Holding AG;
Prof. Dr. Ing. Gustavo Möller-Hergt, CEO and Chairman of ALSO Holding AG;
Alfred N. Schindler, Chairman of the Board of Directors of Schindler Holding Ltd.

Technology

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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. Using smart technologies, Schindler therefore strives to optimize the number of journeys taken and to reduce energy consumption for each passenger transported. With Schindler's The PORT Technology, for example, the transportation capacity of elevator groups can be increased to such an extent that new buildings require fewer elevators. As a result, less resources are needed for the construction of buildings and the amount of energy consumed by elevators when operating is also reduced. PORT (Personal Occupant Requirement Terminal) is a universal communication system that is interconnected throughout the building. This system makes it possible to calculate the optimal route to any destination in the building while ensuring a high level of security, since only identified users are allowed to access areas of the building for which they have authorization. It also provides increased transparency about building occupants.

Schindler's efforts to further reduce energy consumption already begin in the design and 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. The clean energy that is recovered can either be used by other elevators in a group or fed back into the building's electrical grid. This results in a reduction in waste heat, thus also significantly reducing elevator cooling requirements. Schindler combines efficient solutions such as this 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 of the ongoing development of products, Schindler has, for example, been able to increase the energy efficiency of the Schindler 5500 product line by up to 50% compared to the previous model.

The energy efficiency of escalators is also continuously being improved. With ECOLINE power management, customers define whether escalators 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 customer. 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 one reason why Schindler products are frequently installed in environmentally friendly buildings.

The PORT Technology

Enhanced mobility with The PORT Technology

With The PORT Technology and its next generation developed for the smartphone (myPORT), Schindler offers enormous benefits to passengers who use our elevators and escalators each day. With a unique combination of the user-friendly recording of individual needs and industry-leading transit planning, The PORT Technology not only significantly reduces waiting times for elevators but also the number of stops required and journey times. It also reliably meets the individual requirements of passengers – such as allowing them more time to enter or exit the elevator, ensuring there is more space in the elevator they travel in, or making barrier-free use of state-of-the-art double-deck elevators. The PORT Technology offers each building occupant maximum efficiency and comfort.

With myPORT, the technology is customized on the user's smartphone. Visitors can be granted admission to the building using the visitor access control function at the main entrance to buildings or through a video color code sent via SMS. Once the visitor is inside the building, doors can be opened automatically and preprogrammed elevators can be summoned.



Partnership with General Electric is a game changer

First steps – the Digital Tool Case

Schindler took the first steps towards digitization at an early stage. Today, its clients, products, technology, processes, and employees are closely interconnected through a digital platform: 20 000 service technicians around the globe are equipped with the 'Digital Tool Case' that enables them to perform functions such as accessing key data on clients and installations or ordering replacement parts using their iPhones.

Potential of IoT

2016 marked the beginning of a further chapter in Schindler's digital strategy, with a focus on the use of the Internet of Things (IoT) in the elevator and escalator business and in the area of smart building. The IoT allows physical installations to be connected efficiently via the Internet and cloud technology. Using remote monitoring, data from elevators and escalators can be analyzed and technicians can interact with the installations – all in real time. The IoT therefore has the potential to deliver productivity gains due to the improved capacity utilization of the installations and optimized service models. Furthermore, the IoT is opening the way for new digital business models. According to forecasts by leading analysts, more than 50 billion installations will be communicating through the IoT in 2020.

General Electric (GE) is one of the leading providers in this field. Its Chairman and CEO Jeffrey R. Immelt recognized the potential of digitization in the areas of IoT and data analysis at an early stage and successfully applied it within the company. At GE Aviation, for example, equipment is interconnected in real time, important information is gathered via data analysis, and optimization potential is subsequently realized through the entire life cycle of the installation for the benefit of clients. GE is today regarded as a pioneer of the industrial internet and offers the digital industry expertise it has acquired, as well as its cloud-based data analysis platform Predix, in the third market.

Driving forward digitization – together with GE

To capture the great potential of the industrial internet for digital innovations in the elevators and escalators business and in the area of smart building, Schindler has established a partnership with GE Digital. The agreement was reached on July 6, 2016, at GE Headquarters in Fairfield, CT, USA, and was personally signed by GE Chairman and CEO Jeffrey R. Immelt and Schindler's Chairman Alfred N. Schindler.

Schindler is using GE's Predix Platform and its digital industry expertise to drive forward its own activities in the areas of IoT, intelligent sensors, predictive analysis and machine learning – resulting in the creation of smart digital solutions for passengers and clients. Predix will provide Schindler with improved monitoring, analysis, and processing of data streams for its Internet-enabled elevators, escalators, and The Port Technology.

Smart components

Another important strategic partnership was concluded in September 2016 with Huawei Technologies Co., Ltd., one of the world's leading providers in the ICT sector. Schindler is working with Huawei to develop smart components to connect elevators, escalators, and The PORT Technology using IoT technology.



From left:
Alfred N. Schindler, Chairman of the Board of Directors of Schindler Holding Ltd.;
Jeffrey R. Immelt, Chairman and CEO of General Electric Company;
Silvio Napoli, Executive Member of the Board of Directors of Schindler Holding Ltd.

Sustainability

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As a globally active company, Schindler has wide-ranging corporate and social responsibilities. With its long-term business strategy and its safe and environmentally friendly products that meet the highest standards of quality, Schindler assumes these responsibilities without compromise.

Safety – a core value

Our first priority is to ensure the safety of more than one billion passengers who use our products each day, as well as the 58 271 employees.

We have, among other measures, developed a four-stage process that takes account of safety aspects in all phases of the product life cycle. This process guarantees the very highest standards of safety at every stage – from research and development to production, installation, and on-site inspections.

Regular inspections and safety checks that go beyond statutory requirements, as well as strict controls of compliance with applicable regulations, ensure during the operational phase that potential defects are detected before they can develop into problems that could affect either the availability or safety of the installation. All of these checks are carried out by trained specialists.

Schindler has, for years, also provided comprehensive safety training for all employees. Taking 2012 as the reference year, it set itself the goal of improving its lost time injury frequency rate (LTIFR) by a further 25% by 2016. With a rate of 38%, it clearly achieved this target.

Environment – energy efficiency is key

Elevators and escalators generally remain in operation for at least 30 years. Energy consumption is highest during the operational phase of their life cycle. Schindler therefore works continuously to increase the efficiency of installations. It also ensures that they are disposed of in an ecologically sound manner.

In addition, Schindler strives to deliver constant improvements in the energy efficiency and carbon footprint of its various production plants as well as its large fleet of vehicles. Almost two-thirds of Schindler's total environmental impact is generated by its global fleet of around 22 000 service vehicles. Particular attention is therefore paid to optimizing journeys and reducing fuel consumption. When purchasing new vehicles, an emphasis is placed on more fuel-efficient vehicles and hybrid models.

All new production plants in the USA, Slovakia, China, and India are certified according to recognized local green building standards.

Each year, Schindler publishes a Sustainability Report, which is produced in accordance with GRI G4 guidelines. The Sustainability Brochure and sustainability website also provide an overview of sustainability topics that are of importance to the company.

With its inclusion in the SXI Switzerland Sustainability 25 Index of the SIX Swiss Exchange – which comprises the 25 most sustainable companies from the SMI Expanded Index – and its award as best Swiss newcomer in the Carbon Disclosure Project, Schindler's commitments in this area have also gained broad recognition outside the company.

Employees – the basis of our success

Schindler's success depends to a significant extent on its employees. The company therefore seeks to attract, retain, and develop qualified professionals. Their skills and experience are of decisive importance in this context. No consideration is given to background, religion, gender, or age during the selection process.

Our goal is to have highly motivated and committed employees who are led by a talented management team. We want to offer a working environment that is attractive to both existing and new employees.

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 attention is assigned 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. Schindler also supports employees who wish to assume responsibilities in political, cultural, or charitable organizations.

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



Solar Impulse

Congratulations

On July 26, 2016, at 00:15 UTC, Solar Impulse landed in Abu Dhabi – marking the successful completion of the first round-the-world flight by a solar aircraft powered solely by energy from the sun. This was the culmination of a journey of 40 000 km, 560 hours in the air, 17 landings in 9 countries, hours of tension and hours of euphoria. Congratulations to the pilots Bertrand Piccard and André Borschberg and to the Solar Impulse team behind this success story. Schindler, one of the main partners of Solar Impulse, is proud to have helped convey the pioneering message about the importance of clean energy to the world.

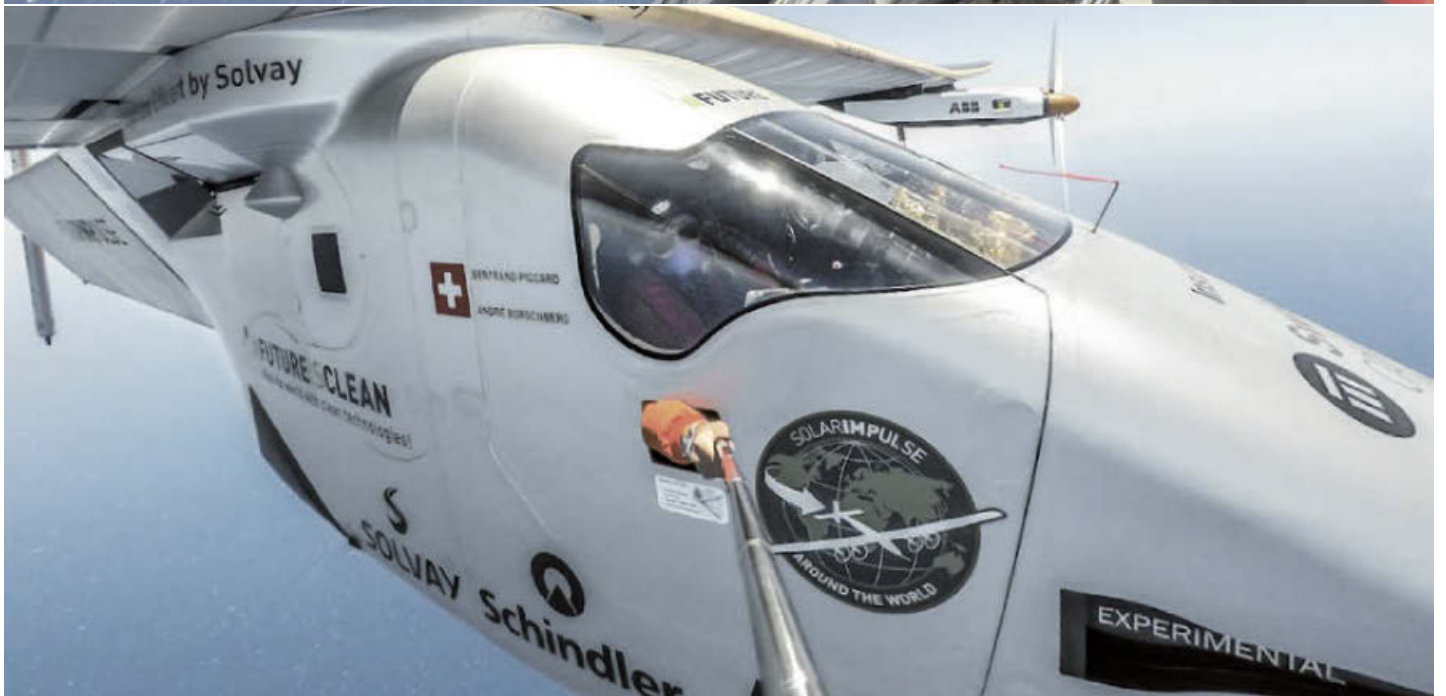
Research engineers from Schindler worked passionately to contribute their expertise to this interdisciplinary project on the ground. The focus was on designing the ultra-lightweight carbon sandwich structure of the wing ribs and developing the energy management system between the new type of lithium polymer batteries, the solar generator and the highly-efficient permanent magnet motors. These engineers are now returning to Schindler filled with inspiration and a pioneering spirit.

Innovative strength

Solar Impulse began its mission on March 9, 2015, in Abu Dhabi. The solar aircraft, which has the wingspan of a Boeing 747 and is the same weight as a car, then successfully circumvented the globe powered solely by the 17 000 photovoltaic cells on its wings. Excess energy was stored in the batteries during the day in order to power the flight through the night. Solar Impulse, which is one of the most important cleantech projects of our time, shows us how the challenges facing our planet can be addressed in an innovative and pioneering manner and how new clean and energy-efficient technologies can reduce our dependence on fossil energies.

Sustainability

Schindler and Solar Impulse share an unconditional commitment to sustainability and innovation. Schindler has repeatedly set new standards in the elevator and escalator industry with groundbreaking solutions such as the machine room-less elevator, new belt drive technology and The PORT Technology. With our support for Solar Impulse, we are fostering our culture of innovation and promoting a technological dialogue across different industries in the areas of lightweight engineering, drive technology and energy – in an effort to develop sustainable solutions to shape future urban mobility.



Schindler Global Award

Shaping the cities of tomorrow

The Schindler Award, which was initiated in 2003, is open to students of architecture, landscape architecture, and urban design and planning, and it is held every two years. Based on a project brief, the participants develop concepts for new forms of urban mobility that take account of global change. As the students of today, they will ultimately be responsible for designing the cities of tomorrow.

This competition, which has been held globally since 2015, gives students a platform for knowledge sharing. They are encouraged to look for unconventional approaches, innovative urban design strategies, and architectural concepts for livable, mixed-use, high-density urban environments.

A jury of internationally renowned professionals in urban design and architecture judges the competition entries. To this end, Schindler has entered into partnerships with the Chair of Architecture and Urban Design held by Prof. Dr. Kees Christiaanse at the Swiss Federal Institute of Technology (ETH) in Zurich as well as with the Future Cities Laboratory (FCL) in Singapore.

São Paulo – urban mobility challenge

The next Schindler Global Award will be held in 2017 and is focused on São Paulo. As the largest city in Brazil, it is the country's most important economic and cultural center as well as being a key transport hub. With over 21 million inhabitants, the São Paulo metropolitan area is one of the largest industrial conurbations in South America and thus presents a particular challenge in terms of urban mobility. The competition began in 2016 and will culminate with the award ceremony in mid-2017.

Further information is available at: www.schindleraward.com

Overview of financial results

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Summary financial statements Group

Consolidated income statement

In CHF million	2016	2015	2014	2013	2012
Revenue	9 683	9 391	9 246	8 813	8 258
Operating profit (EBIT)	1 133	1 002	1 138	896	990
in %	11.7	10.7	12.3	10.2	12.0
Financial result	-67	-29	-35	-240	-22
Income from associates	31	9	46	44	15
Profit before taxes	1 097	982	1 149	700	983
Income taxes	274	235	247	237	253
Net profit	823	747	902	463	730

Consolidated balance sheet December 31

In CHF million	2016	2015	2014	2013	2012
Cash and cash equivalents	1 988	1 975	2 722	2 228	2 178
Other current assets	3 432	3 500	3 401	3 260	2 992
Total current assets	5 420	5 475	6 123	5 488	5 170
Property, plant, and equipment	924	848	802	655	522
Intangible assets	955	870	985	742	804
Other non-current assets	1 004	1 066	1 015	912	1 326
Total non-current assets	2 883	2 784	2 802	2 309	2 652
Total assets	8 303	8 259	8 925	7 797	7 822
Financial debts	254	813	409	594	133
Other current liabilities	4 036	3 872	3 917	3 380	3 195
Total current liabilities	4 290	4 685	4 326	3 974	3 328
Financial debts	55	100	540	413	621
Other non-current liabilities	1 111	1 117	1 088	885	1 060
Total non-current liabilities	1 166	1 217	1 628	1 298	1 681
Total liabilities	5 456	5 902	5 954	5 272	5 009
Equity	2 847	2 357	2 971	2 525	2 813
Total liabilities and equity	8 303	8 259	8 925	7 797	7 822

Cash flow statement

In CHF million	2016	2015	2014	2013	2012
Cash flow from operating activities	929	1 076	902	808	782
Cash flow from investing activities	-5	-502	111	-164	-532
Cash flow from financing activities	-903	-1 298	-554	-584	-459
Exchange differences	-8	-23	35	-10	-16
Change in cash and cash equivalents	13	-747	494	50	-225

Key figures Group

In CHF million	2016	2015	2014	2013	2012
Orders received	10 374	9 967	9 979	9 456	8 967
Δ %	4.1	-0.1	5.5	5.5	8.7
Δ % in local currencies	4.6	4.6	7.8	7.2	8.5
Revenue	9 683	9 391	9 246	8 813	8 258
Δ %	3.1	1.6	4.9	6.7	5.1
Δ % in local currencies	3.6	6.7	7.3	8.4	5.0
Operating profit (EBIT)	1 133^{7,8}	1 002 ⁶	1 138 ^{3,4}	896 ¹	990
in %	11.7	10.7	12.3	10.2	12.0
Net profit	823	747	902	463	730
Net profit before exceptional items	766^{8,9}	747	740 ^{4,5}	682 ²	730
Cash flow from operating activities	929	1 076	902	808	782
Investments in property, plant, and equipment	189	183	183	252	132
Research & Development cost	141	138	134	127	115
Total equity	2 847	2 357	2 971	2 525	2 813
Equity ratio in %	34.3	28.5	33.3	32.4	36.0
Order backlog	10 004	9 364	9 263	7 722	7 083
Δ %	6.8	1.1	20.0	9.0	10.0
Δ % in local currencies	6.5	7.9	15.4	13.8	12.4
Number of employees	58 271	56 762	54 209	48 169	45 246

¹ Restructuring costs: CHF 25 million

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

³ Restructuring costs: CHF 40 million

⁴ 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)

⁵ Hyundai Elevator Co. Ltd. impairment: CHF 40 million

⁶ Restructuring costs: CHF 29 million

⁷ Restructuring costs: CHF 27 million

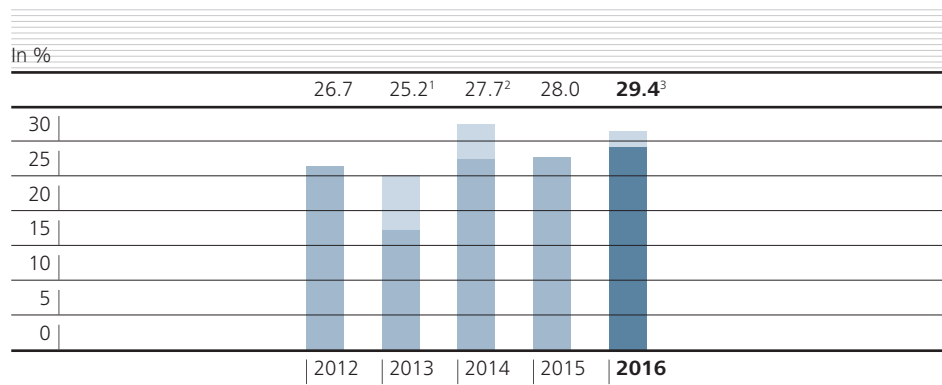
⁸ Gain on sale of operations in Japan: CHF 50 million (CHF 31 million after taxes)

⁹ Revaluation gain ALSO participation: CHF 26 million

Revenue by market

	2016		2015		2014		2013		2012	
	In CHF million	In %	In CHF million	In %	In CHF million	In %	In CHF million	In %	In CHF million	In %
Europe	3 810	39	3 654	39	3 975	43	3 981	45	3 817	46
The Americas	2 726	28	2 636	28	2 578	28	2 496	28	2 400	29
Asia-Pacific, Africa	3 147	33	3 101	33	2 693	29	2 336	27	2 041	25
Total	9 683	100	9 391	100	9 246	100	8 813	100	8 258	100

Return on equity before exceptional items



¹ After Hyundai Elevator Co. Ltd. impairment: 17.3%

² After exceptional items: 32.8%

³ After exceptional items: 31.6%

Headcount by market

	2016		2015	
	Number	In %	Number	In %
● Switzerland	4 741	8	4 716	8
● Rest of Europe	15 690	27	15 101	27
● The Americas	13 801	24	13 728	24
● Asia-Pacific, Africa	24 039	41	23 217	41
Total	58 271	100	56 762	100

Headcount by business area

	2016		2015	
	Number	In %	Number	In %
● Production	4 321	7	4 342	8
● Installation and maintenance	33 679	58	32 578	57
● Engineering, Sales, Administration	20 271	35	19 842	35
Total	58 271	100	56 762	100

Allocation of the Group's net value added

In %	2016	2015
● Salaries, wages, and social security benefits	77	77
● Creation of reserves	10	8
● Direct taxes	6	6
● Dividends	7	9

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	2016	2015	2014
Income from participations	536	521	751
Financial income	20	24	39
Total operating income	556	545	790
Personnel expenses	-6	-	-
Other operating expenses	-23	-29	-22
Financial expenses	-16	-21	-10
Total operating expenses	-45	-50	-32
Extraordinary income	15	-	14
Profit before taxes	526	495	772
Taxes	-7	-5	-11
Net profit	519	490	761

¹ Due to the first-time application of the new Swiss Law on Accounting and Financial Reporting in 2015, only three comparative periods are shown

Balance sheet December 31¹

In CHF million	2016	2015	2014
Cash and cash equivalents	980	1 162	1 779
Other current assets	431	588	713
Long-term financial assets	428	480	449
Participations	1 599	1 525	1 484
Total assets	3 438	3 755	4 425
Interest-bearing liabilities	500	1 025	1 092
Other liabilities	81	95	92
Total liabilities	581	1 120	1 184
Share capital and participation capital	11	11	11
Other equity	2 846	2 624	3 230
Total equity	2 857	2 635	3 241
Total liabilities and equity	3 438	3 755	4 425

¹ Due to the first-time application of the new Swiss Law on Accounting and Financial Reporting in 2015, only three comparative periods are shown

Dividend

In CHF million	2016 ¹	2015	2014	2013	2012
Registered shares	335	180	216	149	154
Participation certificates	204	109	139	96	100
Total dividend	539	289	355	245	254
Gross dividend in CHF	5.00 ²	2.70	3.20 ³	2.20	2.20

¹ Proposal by the Board of Directors

² Ordinary CHF 3.00; extraordinary CHF 2.00

³ Ordinary CHF 2.20; extraordinary 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	2016	2015	2014	2013	2012
Number of registered shares outstanding	67 077 452	68 061 802	68 180 352	70 887 645	71 440 056
thereof treasury shares	556 115	1 513 747	545 769	3 285 417	1 138 281
Nominal value	0.10	0.10	0.10	0.10	0.10
High	193.50	171.00	143.90	142.00	130.50
Low	147.80	125.10	119.80	120.20	104.10
Year-end rate	177.90	169.00	142.60	131.60	129.80
P/E ratio December 31 (before exceptional items)	27.1	27.5	23.0	23.7	21.9

Participation certificate

In CHF	2016	2015	2014	2013	2012
Number of participation certificates outstanding	40 716 831	44 236 311	44 618 533	46 171 909	46 894 800
thereof treasury shares	299 649	3 907 999	785 058	1 953 873	1 555 803
Nominal value	0.10	0.10	0.10	0.10	0.10
High	197.50	171.10	145.70	146.90	132.90
Low	147.10	124.90	120.50	121.40	102.60
Year-end rate	179.60	168.00	144.00	131.30	132.00
P/E ratio December 31 (before exceptional items)	27.4	27.4	23.2	23.6	22.3

Information per registered share and participation certificate

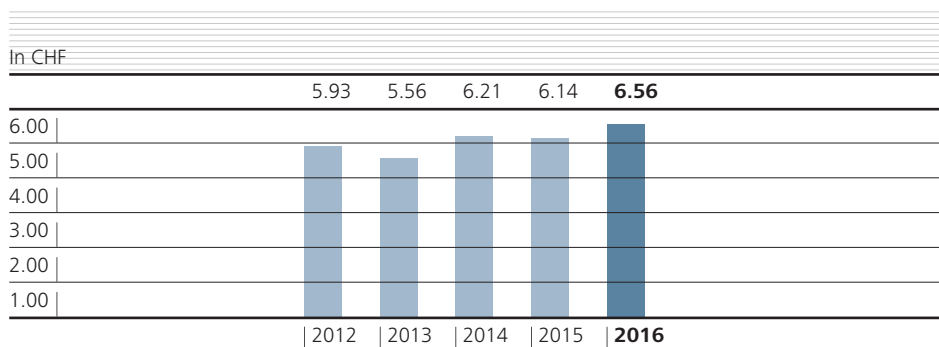
In CHF	2016	2015	2014	2013	2012
Net profit	7.09	6.14	7.64	3.69	5.93
Net profit before exceptional items	6.56	6.14	6.21	5.56	5.93
Cash flow from operating activities	8.62	9.58	8.00	6.90	6.61
Equity at year-end	25.76	21.30	25.70	22.13	24.04
Gross dividend	5.00^{1,2}	2.70	3.20 ³	2.20	2.20
Pay-out ratio (in %)	70.5	44.0	41.9	59.6	37.1
Market capitalization (in CHF million)	19 246	18 934	16 148	15 391	15 463

¹ Proposal by the Board of Directors

² Ordinary CHF 3.00; extraordinary CHF 2.00

³ Ordinary CHF 2.20; extraordinary 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 SW	SCHP VX
Reuters	SCHN.S	SCHP.S
Valor	002463821	002463819
ISIN	CH0024638212	CH0024638196

Shareholders

At the end of 2016, registered shares of Schindler Holding Ltd. were held by 6 497 shareholders (previous year: 6 156).

On the same date, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 655 782 registered shares (previous year: 47 643 814) of Schindler Holding Ltd., corresponding to 71.0% (previous year: 70.0%) of the voting rights of the share capital entered in the Commercial Register.

Financial calendar

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Financial calendar

	2017	2018
Annual results media conference	February 15	February 15
Ordinary General Meeting Schindler Holding Ltd.	March 16	March 20
First trading date ex-dividend	March 20 ¹	
Date of Schindler Holding Ltd. dividend payment	March 22 ¹	
Publication of selected key figures as of March 31	April 25	April
Publication of Interim Report as of June 30	August 15	August
Publication of selected key figures as of September 30	October 24	October

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

Important addresses

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The Annual Report of the Schindler Group for 2016 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

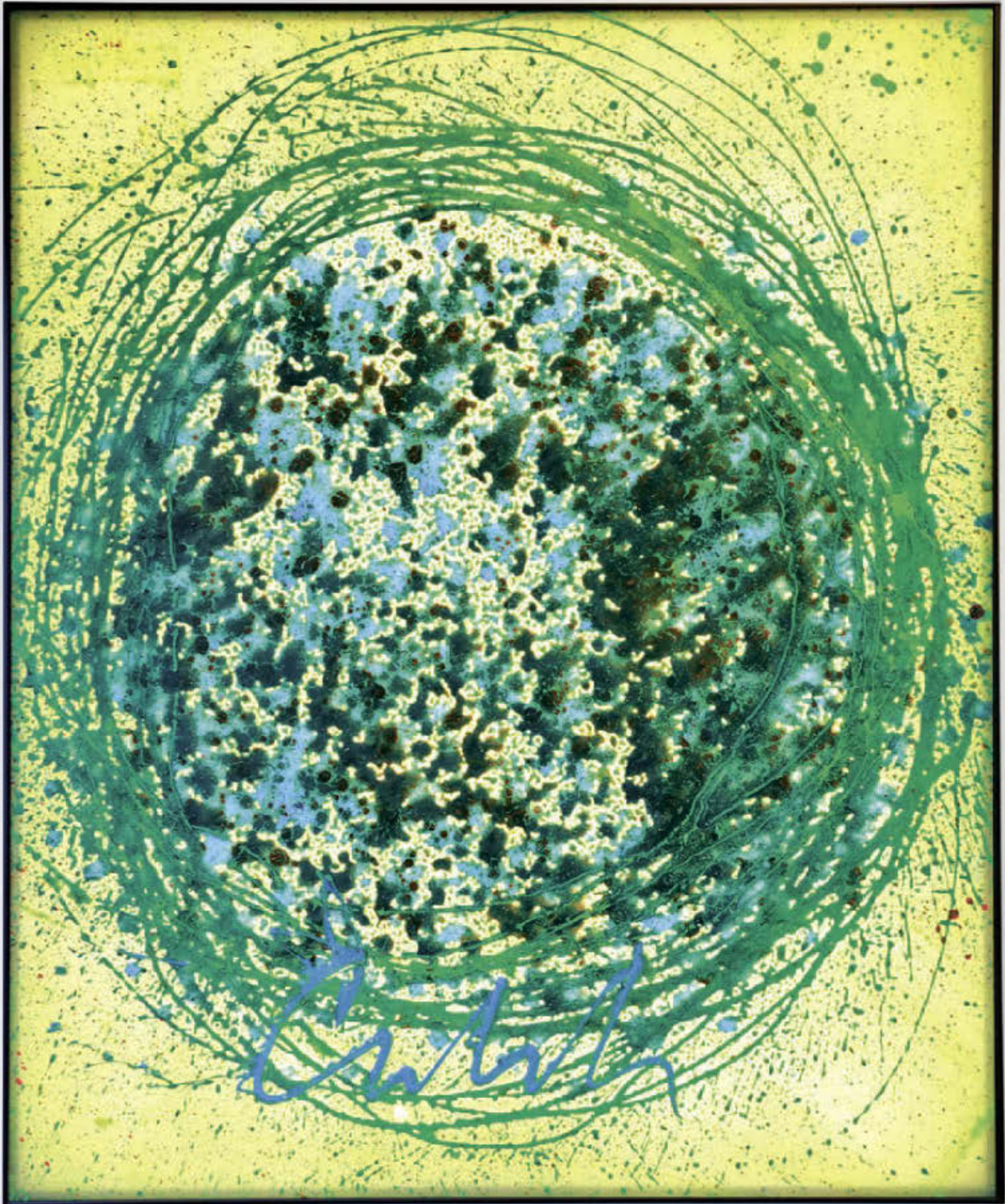
Photography

Manuel Rickenbacher
Zurich, Switzerland

Page 57:

E.T. Studhalter
Sulz, Switzerland



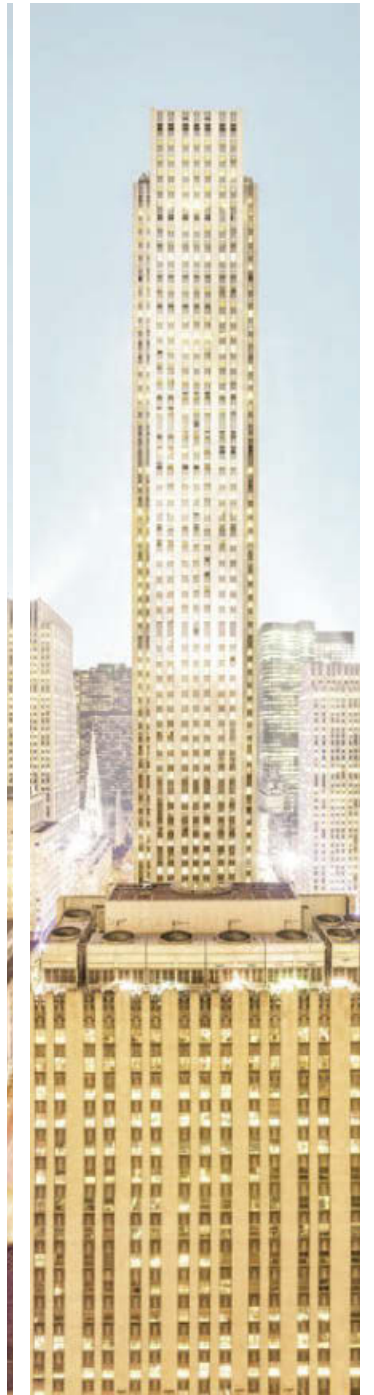


Stay focused.

Stormy and unsafe waters or new opportunities?

Dale Chihuly
Painting on Plexi Glass, (Light Box) 109 x 132 cm
Float Drawing on Acrylic

Halcyon Gallery



30 Rockefeller Plaza, New York, USA



'30 Rock' – as the Art Deco-style skyscraper built in the 1930s is also known – forms the centerpiece of the famous Rockefeller Center. Schindler modernized 63 elevators and provides maintenance services for 76 elevators and 9 escalators. It thus helps to ensure visitors can be transported around this historic building safely and efficiently.



Always on the move.
With enthusiasm.
Financial Statements 2016



Schindler

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Consolidated income statement

In CHF million	Note	2016	%	2015	%
Revenue	4	9 683	100.0	9 391	100.0
Cost of materials		2 813	29.1	2 900	30.9
Personnel expenses	5	3 503	36.2	3 307	35.2
Other operating expenses	6	2 121	21.9	2 031	21.6
Depreciation, amortization, and impairment	16, 17	141	1.4	144	1.5
Change in provisions		22	0.2	7	0.1
Total operating expenses		8 600	88.8	8 389	89.3
Other income	7	50	0.5	–	–
Operating profit		1 133	11.7	1 002	10.7
Financial income	8	35	0.4	52	0.6
Financial expenses	8	102	1.1	81	0.9
Result from associates	9	31	0.3	9	0.1
Profit before taxes		1 097	11.3	982	10.5
Income taxes	10	274	2.8	235	2.5
Net profit		823	8.5	747	8.0
Net profit attributable to					
Shareholders of Schindler Holding Ltd.		764	7.9	689	7.4
Non-controlling interests		59	0.6	58	0.6
Earnings per share and participation certificate in CHF					
Basic	11	7.14		6.28	
Diluted	11	7.12		6.26	

Consolidated statement of comprehensive income

In CHF million	Note	2016	2015
Net profit		823	747
Other comprehensive income – may be reclassified to the income statement in future			
Exchange differences		34	-107
Cash flow hedges		-15	21
Available-for-sale financial assets	32	-3	-6
Share of other comprehensive income of associates		3	-3
Taxes		3	-4
Total – may be reclassified to the income statement in future		22	-99
Other comprehensive income – not to be reclassified to the income statement in future			
Remeasurements of employee benefits	26	-45	-78
Share of other comprehensive income of associates		-	-1
Taxes		23	10
Total – not to be reclassified to the income statement in future		-22	-69
Total other comprehensive income		-	-168
Comprehensive income		823	579
Comprehensive income attributable to			
Shareholders of Schindler Holding Ltd.		765	532
Non-controlling interests		58	47

Consolidated balance sheet

Assets

In CHF million	Note	31.12.2016	%	31.12.2015	%
Current assets					
Cash and cash equivalents		1 988	23.9	1 975	23.9
Marketable securities	12	338	4.1	557	6.7
Accounts receivable	13	1 818	21.9	1 652	20.0
Taxes receivable		94	1.1	75	0.9
Net assets from construction contracts	14	617	7.4	644	7.8
Inventories	15	438	5.3	435	5.3
Prepaid expenses and accrued income		120	1.5	131	1.6
Assets held for sale		7	0.1	6	0.1
Total current assets		5 420	65.3	5 475	66.3
Non-current assets					
Property, plant, and equipment	16	924	11.1	848	10.3
Intangible assets	17	955	11.5	870	10.5
Associates	19	39	0.5	220	2.7
Non-current financial assets	20	641	7.7	529	6.4
Deferred taxes	21	324	3.9	317	3.8
Total non-current assets		2 883	34.7	2 784	33.7
Total assets		8 303	100.0	8 259	100.0

Liabilities and equity

In CHF million	Note	31.12.2016	%	31.12.2015	%
Liabilities					
Current liabilities					
Accounts payable	22	863	10.4	879	10.6
Financial debts	23	254	3.1	813	9.8
Taxes payable		85	1.0	101	1.2
Net liabilities from construction contracts	14	1 140	13.7	1 128	13.8
Accrued expenses and deferred income	24	1 775	21.4	1 620	19.6
Provisions	25	173	2.1	144	1.7
Total current liabilities		4 290	51.7	4 685	56.7
Non-current liabilities					
Financial debts	23	55	0.7	100	1.2
Provisions	25	343	4.1	334	4.1
Deferred taxes	21	115	1.4	107	1.3
Employee benefits	26	653	7.8	676	8.2
Total non-current liabilities		1 166	14.0	1 217	14.8
Total liabilities		5 456	65.7	5 902	71.5
Equity					
Share capital and participation capital	27	11	0.1	11	0.1
Share premium		311	3.8	311	3.8
Treasury shares	27	-114	-1.3	-819	-9.9
Exchange differences		-762	-9.2	-798	-9.7
Other reserves	27	111	1.3	122	1.5
Retained earnings		3 198	38.5	3 449	41.7
Equity of the shareholders of Schindler Holding Ltd.		2 755	33.2	2 276	27.5
Non-controlling interests		92	1.1	81	1.0
Total equity		2 847	34.3	2 357	28.5
Total liabilities and equity		8 303	100.0	8 259	100.0

Consolidated statement of changes in equity

In CHF million	Share and participation capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non- controlling interests	Total Group
January 1, 2015	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
Net profit						764	764	59	823
Other comprehensive income				36	-11	-24	1	-1	-
Comprehensive income				36	-11	740	765	58	823
Dividends						-289	-289	-55	-344
Cancellation of treasury shares	-		713			-713	-		-
Change in treasury shares			-8			-24	-32		-32
Share-based payments						26	26		26
Change in non-controlling interests						-46	-46	6	-40
Change in liabilities towards non-controlling interests						55	55		55
Business combinations						-	-	2	2
December 31, 2016	11	311	-114	-762	111	3 198	2 755	92	2 847

Consolidated cash flow statement

In CHF million	Note	2016	2015
Profit before taxes		1 097	982
Financial result	8	67	29
Income from associates	9	-31	-9
Operating profit		1 133	1 002
Depreciation, amortization, and impairment	16, 17	141	144
Change in provisions		22	7
Other non-cash items	29	-3	69
Dividends received		12	11
Interest received		25	26
Interest paid		-14	-16
Other financial result		-61	12
Income taxes paid		-292	-284
Change in net working capital		-34	105
Cash flow from operating activities		929	1 076
Additions			
Property, plant, and equipment	16	-189	-183
Intangible assets	17	-33	-13
Associates		-10	-5
Marketable securities/Non-current financial assets		-370	-730
Disposals			
Property, plant, and equipment	16	11	5
Associates		-	3
Marketable securities/Non-current financial assets		552	440
Disposal of Group companies		97	-
Business combinations		-63	-19
Cash flow from investing activities		-5	-502
Proceeds from increase in financial debts		15	13
Repayments of financial debts		-502	-63
Acquisition of non-controlling interests		-40	-78
Purchase of treasury shares	27	-50	-784
Disposal of treasury shares	27	18	22
Dividends paid to the shareholders of Schindler Holding Ltd.	39	-289	-355
Dividends paid to non-controlling interests		-55	-53
Cash flow from financing activities		-903	-1 298
Exchange differences		-8	-23
Change in cash and cash equivalents		13	-747
Cash and cash equivalents as at January 1		1 975	2 722
Cash and cash equivalents as at December 31		1 988	1 975

Notes to the consolidated financial statements

1 Business activities

The Schindler Group (referred to hereinafter as 'the 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 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 Changes in IFRS

The Group applied the amended accounting standards, interpretations, and annual improvement points that are effective as of January 1, 2016. The application of the amendments did not have any material impact on accounting practices or on the Group's financial position, results of operations, and cash flows.

2.2 Published standards, interpretations, and amendments not yet applied

The Group will extend its disclosures with the implementation of the Disclosure Initiative – Amendments to IAS 7 (effective date: January 1, 2017).

The impacts 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 are currently being analyzed. There are no plans for the early adoption of the standards prior to the mandatory effective date.

IFRS 9 sets out rules for the measurement, classification, and derecognition of financial instruments as well as for hedge accounting. The Group will apply the simplified approach under the new impairment model. A detailed analysis of further topics that are relevant for the Group is currently being performed. As of the current date, the Group expects no material impacts on the consolidated financial statements.

Under IFRS 15, revenue is recognized as the control of the goods or services is transferred to the customer. This can occur at a point in time or over time. For new installations, modernizations and services, revenue will be recognized over time, whereas for repairs, revenue is recognized at a point in time. The Group does not expect a material impact on annual revenue and will apply the modified retrospective transition method for IFRS 15.

IFRS 16 requires leasing contracts to be recognized in the balance sheet. A distinction is no longer made between operating leases and finance leases. The Group expects that this will result in an increase in assets and liabilities.

The other amendments to IFRS are not currently expected to have any material impact on accounting practices or on the 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 that are continuously reviewed and adapted if necessary. The actual results may differ from these estimates.

2.3.1 Assumptions and estimates

Description	Assumptions and estimates	Notes
Taxes	<ul style="list-style-type: none"> – Estimation of risks resulting from final tax assessments that are only made several years after the end of the reporting year – Assumptions and estimates regarding the probability to offset unused tax loss carryforwards and deferred tax assets, based on forecasts and interpretations of existing tax laws and regulations 	3.16, 10, 21
Provisions	<ul style="list-style-type: none"> – Actuarial reports for product liability take account of all units under maintenance and the probability of occurrence, based on experience – Actuarial reports for self-insurance take account of all employees and the probability of occurrence, based on experience 	3.15, 25
Employee benefits	<ul style="list-style-type: none"> – Key assumptions such as discount rate and future increase in salaries and wages 	3.17, 26

2.3.2 Judgment

Description	Judgement	Notes
Associates	<ul style="list-style-type: none"> – Qualitative factors are taken into account when assessing significant influence 	3.1, 9

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).

In early October 2016, the Group completed the sale of its operations in Japan, which was deconsolidated from that date (see note 7). The Group acquired various smaller entities in the reporting year as well as in the previous year (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. These companies are controlled directly or indirectly by Schindler Holding Ltd. Control exists if the Group is exposed, or has rights, to variable returns and if it has the ability to affect the amount of those returns through its power over a company. When assessing whether the Group 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.

Companies acquired in the reporting period are included in the consolidated financial statements from the date on which the Group obtained control. Companies sold by the Group are consolidated until the date on which control is transferred to the acquirer.

Companies in which the Group has significant influence but which are not controlled by it 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 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 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, 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 profit or loss as well as amortization and impairments are recognized in the income statement as the result 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 the result 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.

For consolidation purposes, the annual financial statements of Group companies that are reported in foreign currencies are 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.

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

			2016		2015	
			Year-end rate	Average rate	Year-end rate	Average rate
Eurozone	EUR	1	1.07	1.09	1.09	1.08
USA	USD	1	1.02	0.99	1.00	0.97
Brazil	BRL	100	31.26	28.48	25.16	29.47
China	CNY	100	14.65	14.89	15.30	15.38

3.3 Segment reporting

The 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 bank 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 the Group 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 nominal value less bad debt allowances.

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 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 comprise 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.

Property, plant, and equipment are depreciated on a straight-line basis over their useful life. Land is not depreciated systematically. An impairment test is performed whenever impairment indicators are identified. If the test reveals 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 or other operating expenses.

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 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 operating expenses.

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. An impairment test is performed whenever impairment indicators are identified. If the test reveals that the carrying amount exceeds the recoverable amount, the carrying amount is reduced accordingly. 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 non-current financial assets. Marketable securities are divided into current and non-current marketable securities. Time deposits with a residual maturity of more than 12 months are recognized as marketable securities under non-current 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 in the financial result
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 in 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 the financial result

All purchases and sales are recognized at trade date. 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 assets, 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 duration 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. 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 debt instruments issued, especially accounts payable, liabilities to banks, finance lease liabilities, derivatives, liabilities towards non-controlling interests, and financial debts.

Financial liabilities issued are divided into two categories:

Category	Type of financial liabilities	Measurement at initial recognition	Subsequent measurement
At fair value through profit or loss	– Held for trading	– At fair value	– At fair value
	– Designated at initial recognition		– All value changes are reported in the financial result
	– Derivatives (unless designated for hedge accounting)		
Other financial liabilities	– All other financial liabilities	– At fair value including transaction cost	– At amortized cost using the effective interest method

3.14.3 Derivative financial instruments and hedge accounting

The Group hedges interest rate risks and foreign currency risks arising from its operating 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 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 value 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:

Fair value level	Input data available
Level 1	– Quoted prices in active markets
Level 2	– Quoted prices in inactive markets
	– Other observable data (e.g. interest rates, counterparty risk, and other risk factors)
Level 3	– 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 the Group 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.

Non-current 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 considered.

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 in other comprehensive income.

3.17 Employee benefits

The Group has both defined contribution plans and defined benefit plans. Its defined benefit plans are covered by funds from separate legal entities or are funded directly by the 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 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 Group.

Pension costs consist of three elements: service costs, net interest, and remeasurements 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 remeasurements 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.

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

Termination benefits are recognized on the date on which the 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 vesting period, the amount is charged to personnel expenses and recognized as an increase in equity.

4 Revenue

In CHF million	2016	2015
Billings	9 620	9 126
Change in work in progress (PoC)	25	228
Other operating revenue	34	34
Capitalized own production	4	3
Total revenue	9 683	9 391

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 5 393 million of total revenue was determined using the PoC method (previous year: CHF 5 352 million).

5 Personnel expenses

In CHF million	Note	2016	2015
Salaries and wages		3 053	2 853
Cost of defined benefit plans	26	48	56
Cost of defined contribution plans		90	83
Share-based payments		26	27
Other personnel expenses		286	288
Total personnel expenses		3 503	3 307

Other personnel expenses primarily consist of social and insurance benefits.

6 Other operating expenses

In CHF million	2016	2015
Production, installation, maintenance, transport, and subcontractors	890	851
Employee-related expenses	308	304
Rent and leasing	163	152
Maintenance and repairs	77	70
Energy supply, consumables, and packing materials	163	161
Insurance, fees, and capital taxes	85	73
Administration and marketing	282	265
Other operating expenses	158	155
Other operating income	-5	-
Total other operating expenses	2 121	2 031

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

Research and development costs of CHF 141 million were charged to the income statement (previous year: CHF 138 million).

7 Other income

On October 3, 2016, the Group completed the sale of its operation in Japan, resulting in a gain before taxes of CHF 50 million. The position includes realized negative cumulative exchange differences of CHF 10 million.

Assets and liabilities disposed of

In CHF million	2016
Cash and cash equivalents	8
Other current assets	24
Non-current assets	28
Total assets	60
Current liabilities	16
Non-current liabilities	2
Total liabilities	18

8 Financial result

In CHF million	Note	2016	2015
Interest		25	26
Net income from securities		10	26
Total financial income		35	52
Interest		14	17
Net interest on employee benefits	26	13	13
Increase in the present value of provisions	25	8	8
Net losses on foreign exchange		32	1
Revaluation/exchange of 0.375% exchangeable bond 2013–2017	23	6	22
Impairment of available-for-sale financial instruments		6	–
Other financial expenses		23	20
Total financial expenses		102	81
Financial result		–67	–29

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

9 Result from associates

In CHF million	2016	2015
Remeasurement of investment in ALSO Holding AG	26	–
Share of profit or loss of associates	5	10
Amortization of intangible assets	–	–1
Total result from associates	31	9

On September 13, 2016, the Group's investment in ALSO Holding AG fell below 10% due to the exchange of the 0.375% exchangeable bond into shares of ALSO Holding AG. Due to contractual agreements with the majority shareholder of ALSO Holding AG, the Group lost significant influence over the investment on that date and ceased to account for it using the equity method. The investment has been reclassified as

available-for-sale financial assets and remeasured at fair value (see note 12). The result of remeasurement includes a revaluation gain at fair value of CHF 38 million as well as realized negative cumulative exchange differences and other comprehensive income of CHF 12 million.

10 Income taxes

In CHF million	2016	2015
Income taxes for the reporting period	251	267
Income taxes for previous periods	4	-10
Deferred income taxes	19	-22
Total income taxes	274	235

Reconciliation of income taxes

In CHF million	2016	%	2015	%
Profit before taxes	1 097		982	
Weighted average income tax rate as % of profit before taxes		23.7		23.3
Expected income tax expenses	260		229	
Effects of				
Recognition/utilization of unrecognized tax loss carryforwards	-6		-1	
Other non-taxable income/other non-deductible expenses	5		6	
Non-refundable withholding taxes	16		13	
Income tax from prior periods	4		-10	
Other differences	-5		-2	
Total income taxes	274	25.0	235	23.9

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.

Reassessments of unrecognized deferred tax assets based on the latest underlying forecasts resulted in a recognition of deferred tax assets of CHF 31 million. This effect was partially offset by changes in tax rates in various countries.

11 Earnings per share and participation certificate

		2016	2015
Net profit attributable to the shareholders of Schindler Holding Ltd.	in CHF million	764	689
Shares and participation certificates	Number	107 794 283	112 298 113
Less treasury shares (weighted average)	Number	-823 931	-2 634 294
Outstanding shares and participation certificates (weighted average)	Number	106 970 352	109 663 819
Basic earnings per share and participation certificate	in CHF	7.14	6.28
Net profit attributable to the shareholders of Schindler Holding Ltd.	in CHF million	764	689
Diluted shares and participation certificates (weighted average)	Number	107 340 175	110 095 691
Diluted earnings per share and participation certificate	in CHF	7.12	6.26

Diluted earnings per share reflect the impact of the share-based payment plans at Schindler Holding Ltd.

12 Marketable securities

In CHF million	2016	2015
Time deposits	163	491
Investment in ALSO Holding AG	88	–
Other marketable securities	87	66
Total marketable securities	338	557

The investment in ALSO Holding AG has been reclassified from associates to marketable securities (see note 9). It is treated as a current available-for-sale financial asset, as an exchange of the 0.375% exchangeable bond can trigger a derecognition of the financial asset at any time. At the balance sheet date, the Group held an interest of 7.6% (previous year: 27.9%, see note 19) in ALSO Holding AG.

Other marketable securities mainly comprise bonds and shares.

13 Accounts receivable

In CHF million	2016	2015
Trade accounts receivable	1 643	1 485
Associates	11	10
Other receivables	164	157
Total accounts receivable	1 818	1 652

13.1 Bad debt allowances

In CHF million	2016	2015
January 1	–162	–157
Setup	–28	–36
Utilization	23	21
Exchange differences	3	10
December 31	–164	–162

13.2 Aging analysis of receivables

2016

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	1 807	582	376	340	200	122	187
Allowances	–164	–1	–2	–2	–10	–26	–123
Associates	11	5	–	–	1	2	3
Other receivables	164	132	6	9	3	2	12
Total accounts receivable	1 818	718	380	347	194	100	79

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
Allowances	-162	-1	-2	-3	-8	-25	-123
Associates	10	3	2	1	2	-	2
Other receivables	157	122	16	6	1	3	9
Total accounts receivable	1 652	629	352	300	196	103	72

As at the balance sheet date, there were 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	2016	2015
Work in progress (PoC)	1 502	1 573
Progress payments from customers	-885	-929
Net assets from construction contracts	617	644
Work in progress (PoC)	1 279	1 135
Progress payments from customers	-2 419	-2 263
Net liabilities from construction contracts	-1 140	-1 128

15 Inventories

In CHF million	2016	2015
Raw materials, semifinished and finished goods	411	403
Advance payments to suppliers	27	32
Total inventories	438	435

Inventories include write-downs and write-offs of CHF 92 million (previous year: CHF 93 million) related to items with a slow rate of turnover and technically obsolete items.

16 Property, plant, and equipment (PPE)

2016

In CHF million	Land	Buildings	Equipment and machinery	Assets under construction	Other PPE	Total
Net book values						
January 1	68	402	166	97	115	848
Additions	3	22	59	73	34	191
Disposals	–	–4	–3	–	–2	–9
Depreciation	–	–24	–40	–	–44	–108
Impairment	–	–	–2	–	–	–2
Business combinations and disposal of Group companies	1	5	2	–	1	9
Reclassifications	–	83	1	–107	23	–
Exchange differences	–	–7	2	–2	2	–5
December 31	72	477	185	61	129	924
Of which finance leases	–	1	–	–	5	6
Cost	77	769	574	61	426	1 907
Accumulated depreciation and impairment	–5	–292	–389	–	–297	–983
December 31	72	477	185	61	129	924

In the reporting year, the sale of property, plant, and equipment resulted in gains of CHF 5 million (previous year: losses of CHF 1 million). The gain or loss is recognized in other operating income or other operating expenses respectively.

Contractual commitments for the acquisition of property, plant, and equipment amount to CHF 19 million (previous year: CHF 39 million).

Land and buildings include investment properties with a net book value of CHF 44 million (previous year: CHF 44 million). The fair value of investment properties is CHF 60 million (previous year: CHF 58 million). Of this sum, CHF 3 million was determined on the basis of external expert opinions (previous year: CHF 8 million). Rental income totaled CHF 4 million (previous year: CHF 4 million). This compares to operating expenses of CHF 2 million (previous year: CHF 2 million). The operating expenses relating to investment properties without rental income totaled CHF 1 million (previous year: CHF 1 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.

2015

In CHF million	Land	Buildings	Equipment and machinery	Assets under construction	Other PPE	Total
Net book values						
January 1	70	361	172	73	126	802
Additions	1	33	40	39	84	197
Disposals	–	–1	–3	–	–2	–6
Depreciation	–	–21	–38	–	–43	–102
Impairment	–	–1	–	–	–	–1
Reclassifications	–	45	11	–12	–44	–
Exchange differences	–3	–14	–16	–3	–6	–42
December 31	68	402	166	97	115	848
Of which finance leases	–	2	–	–	4	6
Cost						
January 1	78	680	546	97	419	1 820
Accumulated depreciation and impairment	–10	–278	–380	–	–304	–972
December 31	68	402	166	97	115	848

17 Intangible assets

In CHF million	Goodwill	Service portfolio	Other intangible assets	Total
Net book values 2016				
January 1, 2016	678	132	60	870
Additions	–	–	33	33
Amortization	–	–19	–12	–31
Additions from business combinations	33	52	–	85
Disposal of Group companies	–16	–7	–	–23
Exchange differences	21	–	–	21
December 31, 2016	716	158	81	955
Cost				
January 1, 2016	733	449	187	1 369
Accumulated amortization and impairment	–17	–291	–106	–414
December 31, 2016	716	158	81	955
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				
January 1, 2015	698	408	166	1 272
Accumulated amortization and impairment	–20	–276	–106	–402
December 31, 2015	678	132	60	870

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

18 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. Assumptions 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 considered reasonable by management. 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 31.12.2016	Assumptions used		
		Pre-tax discount rate	Growth rate	Inflation rate
China	248	11.2%	3.0%	3.0%
Brazil	173	26.5%	4.5%	4.5%
Germany	149	8.4%	2.0%	2.0%
Switzerland	51	6.9%	1.0%	1.0%
Saudi Arabia	35	12.0%	2.0%	2.0%
Others	60			
Total	716			

No impairment was necessary (previous year: no impairment). The item Others comprises four (previous year: five) individually insignificant 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 31.12.2015	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			

19 Associates

The carrying amount of associates is based on the most recent quarterly financial results for the reporting year. This means that the relevant result 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 Group, the values of the local financial statements are adjusted.

On September 13, 2016, the remaining investment in ALSO Holding AG was reclassified to marketable securities and remeasured at fair value (see note 12). Until the loss of significant influence, the Group applied equity accounting to its investment in ALSO Holding AG and recognized a share of profit of CHF 16 million (previous year: CHF 18 million) and other comprehensive income of CHF –2 million (previous year: CHF –4 million) as well as losses from exchanges of the 0.375% exchangeable bond of CHF 4 million (previous year: CHF 0 million).

ALSO Holding AG

In CHF million	2015
Revenue	8 239
Profit from continuing operations	63
Other comprehensive income	–14
Comprehensive income	49
Dividends received	6
Current assets	1 587
Non-current assets	270
Current liabilities	1 095
Non-current liabilities	260
Equity	502
Investment	27.9%
Share in equity	140
Goodwill	44
Carrying amount	184

Group's share of other associates

In CHF million	2016	2015
Loss from continuing operations	–7	–8
Comprehensive income	–7	–8
Carrying amount	39	36

20 Non-current financial assets

In CHF million	2016	2015
Loans to associates	23	22
Marketable securities	70	106
Investment in Hyundai Elevator Co. Ltd.	203	213
Other non-current financial assets	345	188
Total non-current financial assets	641	529

The investment in Hyundai Elevator Co. Ltd. is treated as a non-current available-for-sale financial asset. The decrease in the value of the investment in the amount of CHF 10 million (previous year: decrease of CHF 10 million) was recognized in other comprehensive income. The Group's interest of 17.1% remained unchanged in the reporting year.

21 Deferred taxes

21.1 Deferred taxes by category

In CHF million	2016			2015		
	Assets	Liabilities	Net book value	Assets	Liabilities	Net book value
Current assets	86	-24	62	83	-65	18
Property, plant, and equipment	2	-19	-17	4	-13	-9
Intangible assets	11	-110	-99	11	-64	-53
Other non-current assets	-	-8	-8	1	-10	-9
Current liabilities	122	-60	62	151	-39	112
Provisions	97	-14	83	89	-13	76
Employee benefits	117	-	117	65	-	65
Other non-current liabilities	1	-1	-	-	-1	-1
Tax loss carryforwards	9	-	9	11	-	11
Total deferred tax assets/deferred tax liabilities			209			210
of which deferred tax assets			324			317
of which deferred tax liabilities			-115			-107

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	2016	2015
January 1	210	177
Setup and reversal of temporary differences		
through the income statement	-19	22
through other comprehensive income	26	6
Exchange differences	-8	5
December 31	209	210

21.3 Unrecognized deferred tax assets

In CHF million	2016	2015
Temporary differences	67	217
Tax loss carryforwards	196	192
Total basis	263	409
Unrecognized deferred tax assets	63	119

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 Group companies with a history of tax losses and for which no or only a small taxable profit is expected in the future.

Reassessments of unrecognized deferred tax assets resulted in a recognition of deferred tax assets (see also note 10).

21.4 Tax loss carryforwards

In CHF million	2016		2015	
	Loss carry-forwards	Tax effects	Loss carry-forwards	Tax effects
Total	227	53	227	58
Recognized as deferred tax assets	-31	-9	-35	-11
Total unrecognized	196	44	192	47
of which expiring				
< 1 year	4	1	-	-
1-5 years	16	3	19	3
> 5 years	176	40	173	44

22 Accounts payable

In CHF million	2016	2015
Trade accounts payable	605	598
Associates	7	9
Social security	46	48
Indirect taxes and capital taxes	119	140
Other payables	86	84
Total accounts payable	863	879

23 Financial debts

23.1 Current financial debts

In CHF million	2016	2015
Bank overdrafts	33	26
Liabilities to related parties	119	124
Current portion of non-current financial debts		
of bank loans	6	15
of finance leases	2	3
1.250% bond 2011–2016, nominal CHF 400 million	–	399
0.375% exchangeable bond 2013–2017	87	246
Other current financial debts	7	–
Total current financial debts	254	813

The 0.375% exchangeable bond issued in June 2013 with an initial 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 157 million (previous year: CHF 2 million) were exchanged without an impact on the Group's net cash position, resulting in a decrease in the nominal value of the bond to CHF 59 million (previous year: CHF 216 million).

The 0.375% exchangeable bond is listed on the SIX Swiss Exchange. Quoted prices in an active market are available. The market price of the bond was 148.20% (previous year: 113.95%) 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 28 million (previous year: CHF 30 million). The revaluation and exchange of the bond into ALSO Holding AG shares had a net negative impact of CHF 6 million (previous year: CHF 22 million) on the financial result. In the reporting year, CHF 0 million (cumulative amount: CHF 0 million) of this amount was attributable to changes in own credit risk.

23.2 Non-current financial debts

In CHF million	2016	2015
Liabilities towards non-controlling interests	41	96
Finance leases	4	3
Other non-current financial debts	10	1
Total non-current financial debts	55	100

Liabilities towards non-controlling interests relate to the acquisition of XJ-Schindler (Xuchang) Elevator Co. Ltd. In 2014, the Group obtained further rights to acquire 5% of shares in the company in each of the following three years (2015–2017). The rights were exercised in 2015 and 2016. If the remaining acquisition right is not exercised in 2017, the vendor has the right in the subsequent year to sell the corresponding 5% interest in the company to the Group.

23.3 Maturity and average interest rate on financial debts

In CHF million	2016		2015	
	Book values	Effective interest rate in %	Book values	Effective interest rate in %
< 1 year	254	1.4	813	1.2
1–5 years	55	1.5	100	0.2
Total financial debts	309	1.4	913	1.1

24 Accrued expenses and deferred income

In CHF million	2016	2015
Personnel expenses	446	429
Follow-up work from construction contracts	421	371
Invoiced service contracts	411	359
Cost of materials and services	202	136
Other accrued expenses and deferred income	295	325
Total accrued expenses and deferred income	1 775	1 620

25 Provisions

In CHF million	Loss-making contracts	Restructuring costs	Product liabilities and warranties	Self-insurance	Others	Total
Current provisions	34	22	79	13	25	173
Non-current provisions	1	4	216	52	70	343
Total provisions	35	26	295	65	95	516

Statement of changes

January 1, 2016	21	25	280	57	95	478
Setup	44	21	68	13	9	155
Increase in present value	–	–	4	4	–	8
Utilization	–29	–19	–58	–16	–7	–129
Reversal	–1	–1	–3	–	–2	–7
Exchange differences	–	–	4	7	–	11
December 31, 2016	35	26	295	65	95	516

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 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 be over a period of up to 10 years following the occurrence of damages. 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 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 be over a period of up to 10 years following the occurrence of damages.

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	2016			2015		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Switzerland						
Fair value of plan assets	1 937		1 937	1 873		1 873
Present value of defined benefit obligation	-2 180		-2 180	-2 111		-2 111
Plan deficit – Switzerland	-243		-243	-238		-238
USA						
Fair value of plan assets	226		226	199		199
Present value of defined benefit obligation	-258	-44	-302	-254	-47	-301
Plan deficit – USA	-32	-44	-76	-55	-47	-102
Other plans						
Fair value of plan assets	126		126	186		186
Present value of defined benefit obligation	-163	-272	-435	-231	-266	-497
Plan deficit – other plans	-37	-272	-309	-45	-266	-311
Total						
Fair value of plan assets	2 289		2 289	2 258		2 258
Present value of defined benefit obligation	-2 601	-316	-2 917	-2 596	-313	-2 909
Total plan deficit	-312	-316	-628	-338	-313	-651
Present value of other employee benefits		-25	-25		-25	-25
Total net book value of employee benefits	-312	-341	-653	-338	-338	-676

The Group has a number of defined benefit plans. Certain plans are managed by separate legal 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 85% (previous year: 83%) of the Group's total defined benefit obligation and 94% (previous year: 92%) of its plan assets.

Pension plans in Switzerland

These 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, separate legal entities. It also stipulates that 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, various 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, 2016, is 114% (previous year: 114%, definitive).

The Board of Trustees defines the investment strategy as often as necessary 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, semi-autonomous 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, 2016, is 115% (previous year: 118%, 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 employees of Schindler Elevator Corporation, the majority of whom are members of the Executive Board. The assets are held in a separate legal entity. The Benefits Investment Committee defines 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	2016	2015
Service costs		
Current service costs	62	60
Past service costs	-12	-
Gains/losses from settlements	-2	-4
Total service costs	48	56
Net interest on employee benefits	13	13
Total pension expenses recorded in income statement	61	69
Of which arising from		
Funded pension plans	44	55
Unfunded pension plans	17	14

Service costs for the reporting year totaled CHF 36 million (previous year: CHF 42 million) for pension plans in Switzerland and CHF 2 million (previous year: CHF 6 million) for the pension plan in the USA. Net interest expenses for the reporting year totaled CHF 2 million (previous year: CHF 1 million) for pension plans in Switzerland and CHF 4 million (previous year: CHF 4 million) for the pension plan in the USA. Plan amendments (mainly from changes in conversion rates) and settlements were made in various countries in order to reduce actuarial risks.

26.2 Remeasurements of employee benefits

In CHF million	2016	2015
Actuarial gains/losses		
Changes in demographic assumptions	32	-6
Changes in financial assumptions	-124	-25
Experience adjustments	-30	-72
Return on plan assets (excluding interest based on discount rate)	77	25
Total remeasurements recorded in other comprehensive income	-45	-78
Of which arising from		
Funded pension plans	-31	-75
Unfunded pension plans	-14	-3

Remeasurements recorded in other comprehensive income for the reporting year totaled CHF –12 million (previous year: CHF –68 million) for pension plans in Switzerland and CHF –3 million (previous year: CHF –8 million) for the pension plan in the USA. The changes of the demographic assumptions mainly relate to amendments of the mortality tables in various countries.

26.3 Change in fair value of plan assets

In CHF million	2016	2015
January 1	2 258	2 230
Interest income (based on discount rate)	29	33
Return on plan assets (excluding interest based on discount rate)	77	25
Employee contributions	41	40
Employer contributions	97	51
Benefits paid	-122	-119
Settlements	-82	-
Exchange differences	-9	-2
December 31	2 289	2 258

26.4 Change in present value of defined benefit obligation

In CHF million	2016			2015		
	Funded	Unfunded	Total	Funded	Unfunded	Total
January 1	-2 596	-313	-2 909	-2 491	-365	-2 856
Service costs	-38	-10	-48	-51	-5	-56
Interest costs	-34	-8	-42	-38	-8	-46
Actuarial gains/losses	-108	-14	-122	-100	-3	-103
Employee contributions	-41	-	-41	-40	-	-40
Benefits paid	122	17	139	119	18	137
Business combinations and disposal of Group companies	-	2	2	-	-	-
Settlements	82	5	87	-	20	20
Exchange differences	12	5	17	5	30	35
December 31	-2 601	-316	-2 917	-2 596	-313	-2 909

26.5 Asset allocation of investments as at December 31

In %	2016				2015			
	CH	USA	Others	Total	CH	USA	Others	Total
Equity instruments	27.8	17.1	45.9	27.8	28.7	23.4	30.0	28.3
Bonds	22.7	53.0	11.0	25.0	20.8	44.5	7.6	21.8
Real estate	32.6	13.8	-	29.0	33.1	-	-	27.5
Hedge funds/Private equity	6.8	15.4	34.6	9.2	8.0	29.8	25.2	11.3
Cash and cash equivalents	3.1	0.7	3.4	2.9	2.9	2.3	0.9	2.7
Others	7.0	-	5.1	6.1	6.5	-	36.3	8.4
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 registered 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 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 an investment grade rating.

The item Others includes commodities, insurance-linked securities, and derivatives, 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 derivatives 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 2016 was:

- Switzerland: 5% (previous year: 3%)
- USA: 5% (previous year: 2%)

26.6 Plan participants

	Active		Deferred		Retired		Total	
	2016	2015	2016	2015	2016	2015	2016	
Number	21 172	22 701	1 904	1 911	6 496	6 985	29 572	31 597
Present value of defined benefit obligation in CHF million	1 631	1 599	133	142	1 153	1 168	2 917	2 909
Share in %	55.9	55.0	4.6	4.9	39.5	40.1	100.0	100.0
Weighted average duration in years	15.0	15.9	17.1	16.5	10.5	10.5	13.4	13.8

The following employer contributions are expected for the reporting year 2017:

- Switzerland: CHF 45 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.

In %	Switzerland		USA	
	2016	2015	2016	2015
Discount rate	0.60	0.90	4.33	4.46
Increase in salaries/wages	1.00	1.00	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 actuarial 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% 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

	31.12.2016	31.12.2015
Number of registered shares	67 077 452	68 061 802
Nominal value in CHF	0.10	0.10
Share capital in CHF	6 707 745	6 806 180

27.2 Participation capital

	31.12.2016	31.12.2015
Number of participation certificates	40 716 831	44 236 311
Nominal value in CHF	0.10	0.10
Participation capital in CHF	4 071 683	4 423 631

The share capital and the participation capital were reduced in 2015 and 2016.

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, 2015	545 769		55	785 058		88
Cancellation	-118 550	134.96	-16	-382 222	130.81	-50
Purchases	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 disposals			-5			-1
December 31, 2015	1 513 747		221	3 907 999		598
Cancellation	-984 350	158.48	-156	-3 519 480	158.26	-557
Purchases	280 250	178.41	50	-	-	-
Disposals	-677	-	-	-6 334	157.88	-1
Share-based payments						
Disposal of treasury shares	-95 957	177.16	-17	-	-	-
Exercising of options and Performance Share Units	-156 898	95.60	-15	-82 536	96.93	-8
Difference in value due to disposals			-			-1
December 31, 2016	556 115		83	299 649		31
Reserved for share-based payment plans	556 115			299 649		

See note 11 of the financial statements of Schindler Holding Ltd. for further details.

27.4 Other reserves

In CHF million	Cash flow hedges	Available-for-sale financial assets	Share of other comprehensive income of associates	Total
January 1, 2015	-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
Unrealized changes in fair value	-18	-5	3	-20
Taxes on unrealized changes in fair value	-	1	-	1
Realized/reclassified changes in fair value	4	2	-	6
Taxes on realized/reclassified changes in fair value	2	-	-	2
December 31, 2016	-2	114	-1	111

28 Business combinations

The Group acquired the business activities or the shares of various smaller companies that sell, install, modernize, and maintain elevators and escalators. Viewed individually and collectively, these acquisitions are not significant. A total of CHF 63 million (previous year: CHF 19 million) was paid for business combinations in the reporting year and deferred purchase consideration related to business combinations of previous years.

29 Other non-cash items

In CHF million	2016	2015
Gain on the sale of operations in Japan	-50	-
Share-based payments	26	27
Others	21	42
Total other non-cash items	-3	69

Cash flows related to the sale of the Group's operations in Japan are disclosed in cash flow from investing activities.

30 Off-balance sheet transactions

30.1 Contingent liabilities

In CHF million	2016	2015
Guarantees in favor of third parties	71	78

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.

The Group 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 Group 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 Group companies are involved as defendants – was EUR 207 million at the end of 2016. The Group companies in question consider the claims to be without merit.

30.2 Other unrecognized obligations

In CHF million	2016	2015
Non-cancellable capital commitments for the purchase of PPE and material	92	71

30.3 Maturity of lease payments

In CHF million	2016		2015	
	Real estate	Other operating leases	Real estate	Other operating leases
< 1 year	62	49	62	50
1–5 years	129	79	126	89
> 5 years	23	11	25	9
Total lease payments	214	139	213	148

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

31 Financial risk management

31.1 Principles for risk management

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

Corporate 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.

Various risk management and control systems are used 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.

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 Corporate 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 derivatives such as foreign currency contracts or interest rate swaps.

Sensitivity analyses are performed to assess the effects of different market conditions. 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, 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 costs and interest income of variable interest-bearing assets and liabilities. The fair value of the 0.375% exchangeable bond on ALSO shares is also impacted by changes in interest rates. The resulting changes in value are recognized in the financial result.

The Group is exposed to interest rate risks primarily on the income side due to the strong positive net cash position. A significant portion of financial assets are held in Swiss francs and the Group is therefore exposed to negative interest rates. The risk arising from financial liabilities is limited since the relevant interest rates are mainly fixed. The principal currencies in which the Group 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 Group companies.

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 24 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. It is exposed to foreign currency exchange movements, primarily in euro, US dollar, Chinese renminbi, Brazilian real and Indian rupee. 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 statements of Group companies 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 cost of materials, or by hedging through currency derivative transactions with counterparties with high-quality credit ratings.

Each Group company is required to determine net transaction-related foreign currency exposure and hedge this, either centrally through Corporate Treasury, if possible, or directly with external counterparties. Corporate Treasury combines the transaction risks by currency and creates natural hedging relationships. The remaining transaction risks are hedged by Corporate Treasury externally. Through this process the Group 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 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 Corporate Treasury detailing the foreign currency risk exposures of the Group.

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

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

2016

In CHF million	EUR	USD	GBP	AUD	CAD	CNY
Total¹	46	-127	-35	-82	-20	111

¹ – short positions / + long positions

In CHF million	Changes in value of +/-5%					
	EUR	USD	GBP	AUD	CAD	CNY
Impact on net financial result (+5%)	2	-6	-2	-4	-1	6
Impact on net financial result (-5%)	-2	6	2	4	1	-6

2015

In CHF million	EUR	USD	GBP	AUD	CAD	CNY
Total¹	104	-31	-34	-74	-28	61

¹ – short positions / + long positions

In CHF million	Changes in value of +/-5%					
	EUR	USD	GBP	AUD	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

Unhedged net positions amount to less than CHF 10 million (previous year: 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 the equity instruments 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 Corporate Treasury.

The Group has investments in equity instruments totaling CHF 375 million (previous year: CHF 320 million). The investment in Hyundai Elevator Co. Ltd. (CHF 203 million, previous year: CHF 213 million), and ALSO Holding AG (CHF 88 million, previous year CHF 0 million) account for the major proportion of these investments. Equity instruments also include 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, 2016, had been 10% higher/lower, net financial income would have been CHF 2 million higher or lower (previous year: CHF 4 million higher or lower). Other comprehensive income would have been CHF 35 million higher or lower (previous year: CHF 28 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 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 international financial markets for financing purposes, if necessary.

Financial liabilities: carrying amounts and cash outflows

2016

In CHF million	Carrying amounts	Total	Cash outflows		
			< 1 year	1–5 years	> 5 years
Accounts payable	-698	-698	-698	-	-
Financial debts	-175	-177	-167	-10	-
Liabilities towards non-controlling interests	-41	-41	-	-41	-
Finance lease liabilities	-6	-6	-2	-4	-
0.375% exchangeable bond 2013–2017	-87	-59	-59	-	-
Other financial liabilities	-906	-906	-906	-	-
Derivatives					
Cash inflows		2 437	2 295	142	-
Cash outflows		-2 457	-2 315	-142	-
Net	-20	-20	-20	-	-
Total	-1 933	-1 907	-1 852	-55	-

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

This information is based on contractually agreed, i.e. undiscounted interest 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 an exchange for 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 Group companies, while counterparty risk related to financial institutions is centrally managed by Corporate Treasury.

31.4.1 Cash and cash equivalents, marketable securities, and non-current 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 Group makes various other investments that are classified either as marketable securities or non-current financial assets. Marketable securities mainly comprise shares and secure investments in the form of bonds and time deposits. Non-current financial assets mainly comprise shares 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 at 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

2016

In CHF million	Rating								Total
	AAA	AA	A	<A					
	%	%	%	%					
Cash and cash equivalents	20	1	623	31	645	33	700	35	1 988
Marketable securities ¹	–	–	9	5	57	30	126	65	192
Non-current financial assets ¹	136	33	20	5	46	11	210	51	412
Total	156	6	652	25	748	29	1 036	40	2 592

¹ Excluding equity instruments

2015

In CHF million	Rating								Total
	AAA	AA	A	<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
Non-current 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

31.4.2 Trade accounts receivable

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

31.5 Capital management

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

The Group manages capital by monitoring net liquidity and the equity ratio. Net liquidity is defined as cash and cash equivalents, marketable securities, and non-current financial assets less financial liabilities.

In CHF million	2016	2015
Net liquidity	2 455	1 935
Equity ratio in %	34.3	28.5

A repurchase program at market prices ran from 2013 to 2015. Further details of this repurchase program are disclosed in note 11 of the financial statements of Schindler Holding Ltd.

32 Financial instruments

2016

In CHF million	Financial assets			Financial liabilities		Total	Total fair values
	at fair value through profit or loss	held for trading	Loans and receivables	available for sale	at fair value through profit or loss		
Cash and cash equivalents			1 988			1 988	1 988
Marketable securities	7		163	168		338	338
Accounts receivable			1 696			1 696	1 696
Prepaid expenses and accrued income	17		103			120	120
Non-current financial assets	52		368	221		641	641
Accounts payable						698	698
Financial debts					87	222	309
Accrued expenses and deferred income					37	906	943
Total	76		4 318	389	124	1 826	
Changes recorded through profit or loss							
Interest income/expenses	–		25	–	–	–14	11
Net income from securities	7		1	–4	–6		–2
Bad debt allowances			–28				–28
Total	7		–2	–4	–6	–14	–19
Changes recognized in other comprehensive income							
Changes in fair value				–5			–5
realized through/reclassified to income statement				2			2
Total				–3			–3
Total recorded in comprehensive income	7		–2	–7	–6	–14	–22

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
Non-current 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/expenses	–	26	–	–	–17	9	
Net income from securities	21	3	2	–22		4	
Bad debt allowances		–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	

32.1 Fair value hierarchy

In CHF million				2016				2015
	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	7	–	–	7	8	–	–	8
Derivatives	–	17	–	17	–	25	–	25
Non-current financial assets	52	–	–	52	66	–	–	66
available for sale								
Marketable securities	168	–	–	168	58	–	–	58
Non-current financial assets	211	–	10	221	241	–	12	253
Financial liabilities								
at fair value through profit or loss								
Financial debts	87	–	–	87	246	–	–	246
Derivatives	–	37	–	37	–	41	–	41
Other disclosed fair values								
Financial assets								
Marketable securities	–	163	–	163	–	491	–	491
Non-current financial assets	–	368	–	368	–	210	–	210
Financial liabilities								
Financial debts	–	181	41	222	405	172	96	673

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 year (previous year: no transfers between the different levels).

32.2 Valuation methods

Balance sheet position	Type of financial instruments	Valuation methods
Marketable securities	– Equity instruments and bonds traded in active markets – Time deposits	– Quoted prices from active markets – Discounted cash flow method based on observable data
Prepaid expenses and accrued income	– Derivatives	– Discounted cash flow method based on observable data
Non-current financial assets	– Equity instruments and bonds traded in active markets – Hedge funds and private equity investments – Time deposits	– Quoted prices from active markets – External valuations – Discounted cash flow method based on observable data
Financial debts	– Bond traded in an active market – Liabilities towards non-controlling interest	– Quoted prices from an active market – Discounted cash flow method based on unobservable data
Accrued expenses and deferred income	– Derivatives	– Discounted cash flow method based on observable data

32.3 Reconciliation of level 3 fair values

In CHF million	2016	2015
Non-current financial assets		
January 1	12	10
Changes in value recognized in other comprehensive income	-1	2
Disposals	-1	-
December 31	10	12

32.4 Derivatives

In CHF million	2016			2015		
	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
Currency instruments	14	25	2 012	16	19	1 856
Total held for trading	14	25	2 012	16	19	1 860
Fair value hedges						
Currency instruments	-	-	27	1	-	28
Total fair value hedges	-	-	27	1	-	28
Cash flow hedges						
Currency instruments	3	12	381	8	22	559
Total cash flow hedges	3	12	381	8	22	559
Total derivatives	17	37	2 420	25	41	2 447

33 Pledged assets

In CHF million	2016	2015
Cash and cash equivalents/Marketable securities	25	38
Accounts receivable	26	20
Inventories	5	5
Property, plant, and equipment	7	8
Non-current financial assets	21	16
Total pledged assets	84	87

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.

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

In CHF million	2016			2015		
	Group	Finance	Elevators & Escalators	Group	Finance	Elevators & Escalators
Revenue from third parties	9 683	–	9 683	9 391	–	9 391
Operating profit	1 133	–29	1 162	1 002	–31	1 033
Additions to property, plant, and equipment, and intangible assets	224	–	224	210	–	210
Total depreciation and amortization	141	–	141	144	–	144
of which impairment	2	–	2	1	–	1
Result from associates	31	38	–7	9	18	–9
Assets	8 303	1 662	6 641	8 259	2 021	6 238
Associates	39	–	39	220	184	36
Liabilities	5 456	253	5 203	5 902	829	5 073

34.2 Geographical information

In CHF million	2016		2015	
	Revenue from third parties	Non-current assets ¹	Revenue from third parties	Non-current assets ¹
Switzerland	928	278	910	449
Europe (excluding Switzerland)	2 882	466	2 744	378
Americas	2 726	430	2 636	379
Asia-Pacific, Africa	3 147	744	3 101	732
Group	9 683	1 918	9 391	1 938

¹ Excluding non-current financial assets and deferred taxes

35 Share-based payments

The 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 exercise periods that only end in the reporting year or future years.

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

35.1 Current plans

35.1.1 Performance and Bonus Share Plans

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 104 000 registered shares was granted in connection with these plans. The final number of registered shares will be allocated in April 2017 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 161.30). For the registered shares granted in the previous year, personnel expenses were adjusted based on the final number of registered shares allocated, which totaled 95 032 (fair value per registered share: CHF 141.70).

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 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 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 33 053 (previous year: 31 018) Performance Share Units were granted under the Deferred Share Plan 2015, based on the contractual target amount. The resulting personnel expenses are recognized over the 40-month vesting period (assuming a 100% achievement factor). The fair value of CHF 152.08 (previous year: 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 Capital Participation Plans 2000/2003

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

35.2.2 Long Term Incentive Plan

In April 2011, options were allocated for the last time. After three years, they were transferred to the unrestricted ownership of the beneficiaries, provided they had remained with the company throughout that period. An exercise period of six years will subsequently apply.

35.2.3 Options on registered shares and participation certificates of Schindler Holding Ltd.

Capital Participation Plans 2000/2003

	2013	2012	2011	2010	2009	2008	2007
Options allocated	138 012	162 002	222 621	207 896	464 175	357 092	160 711
Exercised/expired in the previous years	-12 053	-67 575	-138 312	-145 661	-385 105	-303 064	-150 803
Outstanding as at January 1, 2016	125 959	94 427	84 309	62 235	79 070	54 028	9 908
Options exercised/expired	-29 877	-18 757	-11 877	-9 794	-8 993	-20 945	-9 908
Balance as at December 31, 2016	96 082	75 670	72 432	52 441	70 077	33 083	-
Exercisable	96 082	75 670	72 432	52 441	70 077	33 083	-
Entitles holder to purchase	Shares	PC	PC	PC	Shares	Shares	Shares
Exercise price	137.84	108.20	85.10	53.60	56.40	80.90	56.20
Vesting period ends	30.4.2016	30.4.2015	30.4.2014	30.4.2013	30.4.2012	30.4.2011	30.4.2010
Exercise period ends	30.4.2022	30.4.2021	30.4.2020	30.4.2019	30.4.2018	30.4.2017	30.4.2016
Allocation ratio	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Weighted average share price on exercise in 2015		162.77	155.85	157.16	157.75	157.15	155.38
Weighted average share price on exercise in 2016	177.51	173.19	176.84	177.06	178.23	170.63	168.86

Long Term Incentive Plan

	2011	2010	2009	2008
Options allocated	104 854	107 739	314 783	155 311
Exercised/expired in the previous years	-29 352	-42 027	-264 380	-136 549
Outstanding as at January 1, 2016	75 502	65 712	50 403	18 762
Options exercised/expired	-22 653	-19 455	-32 238	-8 528
Balance as at December 31, 2016	52 849	46 257	18 165	10 234
Entitles holder to purchase	PC	PC	Shares	Shares
Exercise price	124.80	85.10	56.40	78.90
Vesting period ends	30.4.2014	30.4.2013	30.4.2012	30.4.2011
Exercise period ends	30.4.2020	30.4.2019	30.4.2018	30.4.2017
Allocation ratio	1:1	1:1	1:1	1:1
Weighted average share price on exercise in 2015	165.32	152.90	156.94	-
Weighted average share price on exercise in 2016	177.41	168.35	168.42	160.00

36 Related parties

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

At December 31, 2016, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 655 782 registered shares (previous year: 47 643 814) of Schindler Holding Ltd. This corresponds to 71.0% (previous year: 70.0%) 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.

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

Associates

In CHF million	2016	2015
Billings	43	44
Material and operating expenses	15	26
Accounts receivables and loans	34	32
Liabilities	7	9

Other related parties

In CHF million	2016	2015
Liabilities towards shareholders	119	124
Interest costs	–	–

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	2016	2015
Salary payments (incl. cash bonuses and lump-sum expenses), fees	23	22
Contributions to pension plans and social benefits	5	4
Share-based payments	9	8
Total	37	34

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)	
			2016	2015		
Argentina	Buenos Aires	Ascensores Schindler S.A.	100.0	100.0	3 094 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.	61.0	56.0	351 000 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.	0.0	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)	
			2016	2015		
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.	90.0	100.0	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	50 000 TRY	●
UK	Sunbury	Schindler Ltd.	100.0	100.0	2 005 GBP	●
United Arab Emirates	Dubai	Schindler Pars International Ltd. (Dubai and Abu Dhabi branches)	100.0	100.0	– –	●
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 2016, CHF 289 million was paid in dividends (previous year: CHF 355 million). This corresponds to an ordinary dividend of CHF 2.70 (previous year: CHF 2.20 and an extraordinary dividend of CHF 1.00) per registered share and per participation certificate.

The Board of Directors proposes for the reporting year 2016 to the General Meeting of Shareholders – per registered share and participation certificate – the payment of an ordinary dividend of CHF 3.00 as well as an extraordinary dividend of CHF 2.00 linked to the sale of ALSO Holding AG. This represents a total gross dividend payment of CHF 539 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 14, 2017, and will be presented to the General Meeting of Shareholders for approval on March 16, 2017.



To the General Meeting of
Schindler Holding Ltd, Hergiswil

Basle, 14 February 2017

Report of the statutory auditor on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Schindler Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2016 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 4 to 60) give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.



Long-term construction contracts: Revenue recognition and provisions for loss-making contracts

Area of focus	<p>Net assets (and liabilities) from construction contracts represent 7% of the Group's total assets and 14% of the Group's total liabilities as at 31 December 2016, respectively. They include revenue from work performed to date based on the application of the percentage of completion method less progress payments received by customers.</p> <p>Revenue recognition using the percentage of completion method is affected by estimates, such as total forecasted and remaining project costs and the identification and recognition of provisions for loss-making contracts. Due to the significance of these transactions and related estimates and the potential impact on the financial statements, this matter was considered significant in our audit. Refer to note 14 to the consolidated financial statements for further information.</p>
Our audit response	<p>We assessed the Group's process of entering into New Installation and Modernization contracts as well as the pre-calculation of such long-term construction projects by walking through a selection of new and existing contracts. We further tested the design and operating effectiveness of internal controls over the Group's accounting for construction contracts including the development of the key assumptions applied. We evaluated the Group's methodology to determine the progress of projects including the identification and determination of provisions for loss-making contracts. We further evaluated the Group's analyses of forecasted and actual cost on a project by project basis and periodic review of loss-making contracts and their development compared to prior periods. We further assessed the historical accuracy of the Group's pre-calculation process and its use of estimates. Where material, we evaluated the sensitivity of the key assumptions applied and compared these to other internal information.</p>

Current and deferred income tax position

Area of focus	<p>Significant judgment is involved in determining deferred and current income tax amounts. The assessment is complex, since the Group operates in multiple tax jurisdictions. Furthermore, the Group is required to record both deferred tax assets and liabilities and estimates the recoverability of its deferred tax asset position related to temporary differences and the amount of tax loss carryforwards that can be applied to future taxable income.</p> <p>Key assumptions applied by the Group regarding recoverability of deferred tax assets relate to managements budgets and forecasts including applicable tax rates whether enacted or substantially enacted. Due to the significance of the income tax balances and the judgment involved in determining these, this matter was considered significant to our audit. Refer to notes 10 and 21 to the consolidated financial statements for further information.</p>
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Our audit response	<p>We assessed the Group's overall risk exposure regarding taxation considering, among others, the inherent complexities due to the multiple tax jurisdictions the Group is operating in. We assessed the Group's policies and procedures in place to mitigate such risks including related internal controls. We corroborated our observations and our understanding of tax matters with management. We considered the Group's correspondence with tax authorities where warranted and inquired regarding ongoing tax audits and potential disputes. We further evaluated the consistency of the Group's budgets and forecasts including the assessment of applicable tax rates. We also considered developments in tax legislation and whether these were reflected in the Group's assumptions. We involved tax specialists across the Group to assist in examining the Group's tax methodologies and analyzing the underlying assumptions.</p>
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Impairment of goodwill

Area of focus	<p>Goodwill is a material balance amounting to 9% of total assets in the balance sheet. Goodwill arises through acquisitions of businesses. Goodwill remains on the balance sheet until there is an impairment.</p> <p>The Group assesses the valuation of its goodwill position on an annual basis in the third quarter of each year or when indicators for impairment exist. The test is carried out on a Cash Generating Unit (CGU) basis. The testing for potential impairments involves the use of estimates and assumptions, such as budget and forecast earnings and cash flows and discount rates to be applied in obtaining a value in use as of the date of the valuation. Refer to Note 18 to the consolidated financial statements for further information.</p>
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Our audit response	<p>We assessed the Group's definition of CGU's and related documentation. We further assessed the internal controls framework related to its budgeting and forecasting process, the preparation of the goodwill impairment testing model and underlying assumptions. We evaluated how the Group determines budget and forecast information on earnings and related cash flows by CGU and year and how it derived the applicable discount rate. We also assessed the different input factors to the discount rate against observable market data and evaluated whether these are consistently applied by management. We corroborated the budgets and forecasts through review of underlying documentation and discussions with management. We further involved valuation experts in assessing the impairment testing models used by the Group.</p>
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Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://www.expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

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	2016	2015
Income from participations	1	536 397	520 749
Financial income		19 510	23 753
Total operating income		555 907	544 502
Personnel expenses		-5 841	-
Other operating expenses		-23 207	-28 704
Financial expenses		-15 872	-20 793
Total operating expenses		-44 920	-49 497
Extraordinary income	2	15 000	-
Profit before taxes		525 987	495 005
Taxes		-6 904	-4 616
Net profit		519 083	490 389

Balance sheet

Assets

In CHF 1 000	Note	31.12.2016	%	31.12.2015	%
Current assets					
Cash and cash equivalents	3	979 929		1 161 615	
Marketable securities	4	83 863		89 388	
Other receivables	5	346 923		496 755	
Prepaid expenses and accrued income		154		1 393	
Total current assets		1 410 869	41.0	1 749 151	46.6
Non-current assets					
Non-current financial assets	6	427 684		480 376	
Participations	7	1 599 605		1 525 039	
Total non-current assets		2 027 289	59.0	2 005 415	53.4
Total assets		3 438 158	100.0	3 754 566	100.0

Liabilities and equity

In CHF 1 000	Note	31.12.2016	%	31.12.2015	%
Liabilities					
Trade accounts payable		977		604	
Interest-bearing liabilities	8	500 224		1 024 816	
Other payables	9	3 165		13 488	
Accrued expenses and deferred income		4 905		5 203	
Provisions	10	515		1 431	
Total current liabilities		509 786	14.8	1 045 542	27.8
Provisions	10	71 221		74 008	
Total non-current liabilities		71 221	2.1	74 008	2.0
Total liabilities		581 007	16.9	1 119 550	29.8
Equity					
Share capital	11	6 708		6 806	
Participation capital	11	4 072		4 424	
Legal reserves	11	317 121		317 121	
Free reserves					
Profit brought forward		39 006		37 419	
Net profit		519 083		490 389	
Other free reserves	11	2 085 341		2 597 511	
Treasury shares	11	-114 180		-818 654	
Total equity		2 857 151	83.1	2 635 016	70.2
Total liabilities and equity		3 438 158	100.0	3 754 566	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. had less than ten employees in the reporting year (no employees in the previous year).

Basis of preparation

The financial statements of Schindler Holding Ltd. were prepared in accordance with the principles set out in the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). The main accounting principles applied are described below.

Marketable securities

Marketable securities solely include securities with market prices and 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 marketable securities falls below the acquisition costs, the change in value is recognized in financial expenses. Marketable securities are disclosed net of the valuation reserve.

Participations

Participations are disclosed at cost less appropriate write-downs. The valuation of the participations is tested on an annual basis using the discounted cash flow (DCF) method.

Treasury shares

Own registered shares and participation certificates (treasury shares) are initially recognized at acquisition costs and deducted from equity. No subsequent valuation is made. If the 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.

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 gains or losses result from the difference between the acquisition costs 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 grant date.

1 Income from participations

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

2 Extraordinary income

The extraordinary income consists of a reversal of an allowance on a loan to a Group company.

3 Cash and cash equivalents

Cash and cash equivalents include bank 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 3.5 million as at the balance sheet date (previous year: CHF 7.0 million).

5 Other receivables

In CHF 1 000	2016	2015
From third parties	116 999	394 379
From Group companies	229 924	102 376
Total other receivables	346 923	496 755

Other receivables from third parties mainly comprise time deposits with a maturity of 3 to 12 months totaling CHF 111.0 million (previous year: CHF 390.8 million).

6 Non-current financial assets

In CHF 1 000	2016	2015
Loans to Group companies	278 108	426 800
Other financial assets	149 576	53 576
Total non-current financial assets	427 684	480 376

Other financial assets mainly comprise time deposits with a maturity of more than 12 months totaling CHF 146.0 million (previous year: CHF 50.0 million).

7 Participations

In CHF 1 000	2016	2015
January 1	1 525 039	1 484 015
Capital increases	30 189	–
Additions	44 377	41 024
December 31	1 599 605	1 525 039

An overview of the companies which are directly or indirectly controlled by Schindler Holding Ltd. is provided in note 38 to the consolidated financial statements.

8 Interest-bearing liabilities

In CHF 1 000	2016	2015
To third parties (bonds)	58 730	616 235
To Group companies	322 136	284 874
To shareholders	119 358	123 707
Total interest-bearing liabilities	500 224	1 024 816

Bonds

In CHF 1 000	2016	2015
1.250% bond 2011–2016, due November 21, 2016	–	400 000
0.375% exchangeable bond 2013–2017, due June 5, 2017	58 730	216 235

The 0.375% 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 157.5 million was exchanged during the reporting year (previous year: CHF 1.8 million).

9 Other payables

In CHF 1 000	2016	2015
To third parties	758	11 980
To pension plans	2 138	1 288
To Group companies	19	–
To shareholders and governing bodies	250	220
Total other payables	3 165	13 488

10 Provisions

The provisions to cover financial risks amount to CHF 71.7 million (previous year: CHF 75.4 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	Other free reserves	Available earnings	Treasury shares	Total equity
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	-
Change in 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
Dividend					-288 802		-288 802
Allocation to other free reserves				200 000	-200 000		-
Reduction as of June 3, 2016	-98	-352		-712 170		712 620	-
Change in treasury shares						-8 146	-8 146
Net profit					519 083		519 083
December 31, 2016	6 708	4 072	317 121	2 085 341	558 089	-114 180	2 857 151
Of which share premiums (unchanged)			311 321				

11.1 Share capital

	in CHF		
	Number	Nominal value	Share capital
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
Reduction as of June 3, 2016	-984 350		-98 435
December 31, 2016	67 077 452	0.10	6 707 745

11.2 Participation capital

	in CHF		
	Number	Nominal value	Participation capital
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
Reduction as of June 3, 2016	-3 519 480		-351 948
December 31, 2016	40 716 831	0.10	4 071 683

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, 2015	545 769		55	785 058		88
Cancellation	-118 550	134.96	-16	-382 222	130.81	-50
Purchases	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 disposals			-5			-1
December 31, 2015	1 513 747		221	3 907 999		598
Cancellation	-984 350	158.48	-156	-3 519 480	158.26	-557
Purchases	280 250	178.41	50	-	-	-
Disposals	-677	-	-	-6 334	157.88	-1
Share-based payments						
Disposal of treasury shares	-95 957	177.16	-17	-	-	-
Exercising of options and Performance Share Units	-156 898	95.60	-15	-82 536	96.93	-8
Difference in value due to disposals			-			-1
December 31, 2016	556 115		83	299 649		31
Reserved for share-based payment plans	556 115			299 649		

11.4 Repurchase program

984 350 registered shares and 3 519 480 participation certificates were cancelled by means of a capital reduction on June 3, 2016, in accordance with the decision of the General Meeting of Shareholders of March 22, 2016.

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. 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 1 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 902.2 million (previous year: CHF 857.2 million). They mainly comprise guarantees, letters of comfort, and guarantee bonds in favor of Group companies.

Schindler Holding Ltd. is part of the Swiss value-added tax group of the Schindler 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 Equity instruments and Performance Share Units allocated to executive members of the Board of Directors

	Share-based payments in	2016		2015	
		Number	Value in CHF 1 000	Number	Value in CHF 1 000
Alfred N. Schindler, Chairman	Registered shares	3 762	595	3 797	593
Dr. Rudolf W. Fischer ¹	Registered shares	3 224	510	6 804	1 063
Prof. Dr. Karl Hofstetter	Registered shares	5 875	930	5 988	936
Silvio Napoli ²	Registered shares/Performance Share Units	7 979	1 260	–	–
Jürgen Tinggren ³	Registered shares	2 388	378	8 165	1 276

¹ Until August 31, 2016, thereafter non-executive member

² From the Annual General Meeting of Shareholders 2016

³ Until the Annual General Meeting of Shareholders 2016

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

15 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):

15.1 Board of Directors

2016

As of 31.12.	Participation		Number
	Registered shares	certificates	Options
Alfred N. Schindler, Chairman ¹	³	43 330	–
Luc Bonnard, Vice Chairman ²	³	–	3 171 ⁴
Prof. Dr. Karl Hofstetter ¹	78 775	21 159	28 204 ⁵
Silvio Napoli ¹	16 687	9 981	–
Prof. Dr. Pius Baschera ²	3 000	–	–
Patrice Bula ²	1 500	–	–
Prof. Dr. Monika Bütler ²	1 500	–	–
Dr. Rudolf W. Fischer ²	27 645	–	3 171 ⁴
Anthony Nightingale ²	3 000	–	–
Rolf Schweiger ²	3 375	–	–
Carole Vischer ²	³	–	–
Prof. Dr. Klaus W. Wellershoff ²	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Non-executive member

³ 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 47 655 782 shares as at December 31, 2016, corresponding to 71.0% of the voting rights of the share capital entered in the Commercial Register.

⁴ Fully vested options on registered shares granted under the Capital Participation Plan 2000 (option plan allocation 2013)

⁵ 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

2015

			Number
	Registered shares	Participation certificates	Options
As of 31.12.			
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

15.2 Group Executive Committee

2016

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009	Participation certificates allocated 2010	Participation certificates allocated 2011	Participation certificates allocated 2012 ¹	Registered shares allocated 2013 ¹
As of 31.12.									
Thomas Oetterli, CEO	12 995	7 307	–	–	2 000 ³	4 529 ⁴	5 142 ⁵	–	–
Miguel A. Rodríguez	26 844	–	4 279	10 234	–	6 340 ⁴	5 999 ⁵	–	–
Erich Ammann	18 931	–	–	–	–	–	–	–	–
Karl-Heinz Bauer	–	–	–	–	–	–	–	–	–
David Clymo	5 703	454	–	–	–	–	–	–	–
Paolo Compagna	1 505	284	–	–	–	–	–	–	–
Carlos Gueembe	3 994	1 989	–	–	7 246 ³	2 355 ⁴	2 228 ⁵	–	–
Albert Haffert	9 308	3 000	–	–	–	4 982 ⁴	6 856 ⁵	–	–
Andre Inserra	3 289	–	–	–	–	–	–	–	–
Michael Nilles	4 704	–	–	–	–	291 ¹	2 145 ¹	1 859	1 533
Oswald Schmid	2 767	4 358	–	–	–	2 944 ⁴	3 000 ⁵	–	2 776
Christian Schulz	4 771	–	–	–	1 104 ¹	577 ¹	617 ¹	371	252
Daryoush Ziai	168	–	–	–	–	–	–	–	–

¹ Options from Capital Participation Plan 2000/2003

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

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

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 31.12.2016	Resolution of the General Meeting of Shareholders 31.12.2015 ³
Available earnings		
Net profit	519 083	490 389
Profit brought forward	39 006	37 419
Total available earnings	558 089	527 808
Appropriation of available earnings		
Ordinary dividend (gross)		
per registered share	CHF 3.00 (previous year: CHF 2.70)	201 232 ¹
per participation certificate	CHF 3.00 (previous year: CHF 2.70)	179 772
Extraordinary dividend (gross)		
per registered share	CHF 2.00 (previous year: CHF 0.00)	134 155 ^{1,2}
per participation certificate	CHF 2.00 (previous year: CHF 0.00)	81 434 ^{1,2}
Total dividend	538 971	288 802
Allocation to other free reserves	–	200 000
Total appropriation of available earnings	538 971	488 802
Profit brought forward	19 118	39 006

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

² Extraordinary dividend linked to the sale of ALSO

³ Resolution of the General Meeting of Shareholders as of March 22, 2016; payment excludes dividends on treasury shares



To the General Meeting of
Schindler Holding Ltd, Hergiswil

Basle, 14 February 2017

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 66 to 76), for the year ended 31 December 2016.

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 31 December 2016 comply with Swiss law and the company's articles of incorporation.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.



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.

Ernst & Young Ltd

Christian Schibler
Licensed audit expert
(Auditor in charge)

Ralf Noffke
Licensed audit expert

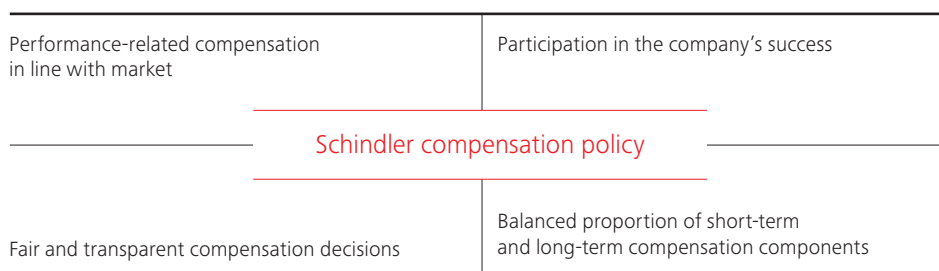
Compensation Report

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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 2016 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 may 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	Non-Executive	Group Executive
	members	members	Committee
Fixed compensation – prospective approval			
Cash (gross)			
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 is employed – 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 plans.

All members of the Board of Directors receive a fixed Board of Directors' fee, as well as a flat-rate 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 the discount determined by the Board of Directors. The final number is 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.

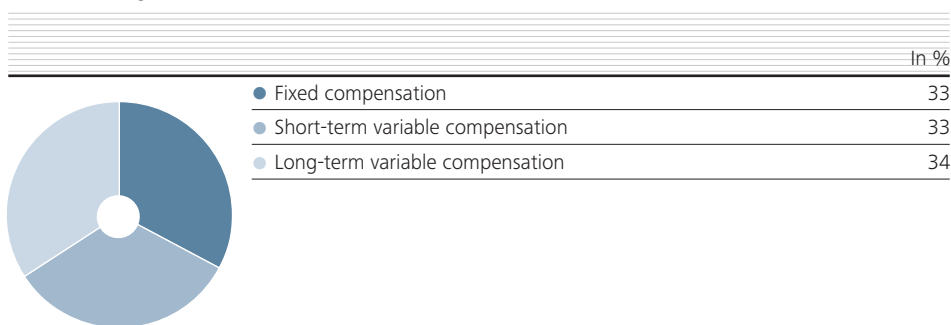
Provisional number of shares	$\frac{50\% \text{ of the performance-related bonus achieved}}{\text{Volume-weighted average share price in December of the reporting year (less discount)}}$	
Value disclosed in Compensation Report	$\frac{\text{Volume-weighted average share price in December of the reporting year (less 10\%)}}{\times \text{ Provisional number of shares}}$	
Number of shares allocated	$\frac{50\% \text{ of the performance-related bonus achieved}}{\text{Volume-weighted average share price in March of the allocation year (less discount)}}$	
Value disclosed in Compensation Report +1	$\frac{\text{Volume-weighted average share price in March of the allocation year (less 10\%)}}{\times \text{ Number of shares allocated}}$	

2.4.2 Group Executive Committee

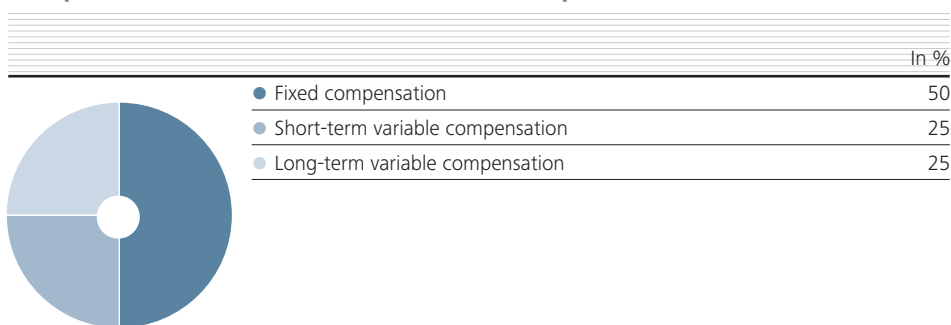
The members of the Group Executive Committee receive an annual performance-related cash bonus (short-term compensation component) and an annual grant of Performance Share Units (long-term compensation component) in accordance with the rules of the Deferred Share Plan 2015.

The targeted split of compensation into fixed compensation, short-term and long-term variable compensation is as follows (assuming 100% target achievement):

CEO's compensation



Compensation of other members of the Group Executive Committee



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 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 amount.

The Performance Share Units are converted into shares three years after they were granted and then 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 granted are valued at the volume-weighted average price in March of the reporting year (grant), less a discount of 10%. This discount reflects the fact that the Performance Share Units are only converted into shares three years after they were granted.

Number of PSU granted	=	Contractual target 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%

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. 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 three times.

Members of the Compensation Committee

As of 31.12.2016		
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Chairman
Dr. Rudolf W. Fischer	Non-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

	Proposal/request	Target compensation	Actual variable compensation	
		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 ¹ /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 2016
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)/other	Registered shares	Social and other benefits	
Alfred N. Schindler, Chairman ¹	2 125	263	529	595	58	3 570 ⁹
Luc Bonnard, Vice Chairman ²	300	14	485 ⁸	–	59	858
Prof. Dr. Karl Hofstetter ³	839	311	827	930	99	3 006
Silvio Napoli ⁴	1 127	295	1 194	1 260 ¹⁰	145	4 021 ¹¹
Jürgen Tinggren ⁵	634	178	336 ⁸	378	40	1 566
Prof. Dr. Pius Baschera ²	200	9	–	–	–	209
Patrice Bula ²	200	12	–	–	–	212
Prof. Dr. Monika Bütler ²	200	12	–	–	–	212
Dr. Rudolf W. Fischer ⁶	605	220	454	510	54	1 843
Anthony Nightingale ²	200	9	–	–	–	209
Rolf Schweiger ²	200	9	–	–	–	209
Carole Vischer ²	240 ⁷	14	–	–	–	254
Prof. Dr. Klaus W. Wellershoff ²	240 ⁷	14	–	–	–	254
Total compensation	7 110	1 360	3 825	3 673	455	16 423

¹ Member of the Supervisory and Nomination Committee

² Non-executive member

³ Member of the Supervisory and Nomination Committee (from the General Meeting of Shareholders 2016), 80% basis

⁴ From the General Meeting of Shareholders 2016, member of the Supervisory and Nomination Committee

⁵ Until the General Meeting of Shareholders 2016, 80% basis

⁶ Member of the Supervisory and Nomination Committee until August 31, 2016, thereafter non-executive member; 80% basis until March 31, 2016, and 60% thereafter

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

⁸ Including fee for consulting services

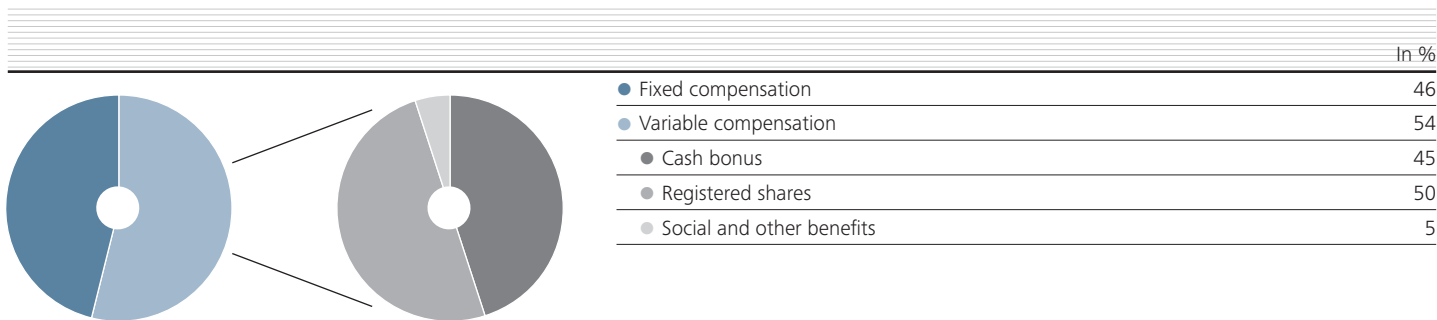
⁹ Alfred N. Schindler donated over CHF 1 million of this sum to a charitable foundation under Swiss law

¹⁰ Including 1 800 Performance Share Units for position as CEO

¹¹ Including compensation as CEO until March 2016

For the reporting year, the variable component of the compensation awarded to the executive members of the Board of Directors averaged 54% of total compensation and comprised the following:

Compensation of executive members of the Board of Directors



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 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, none of these employment contracts has a term or notice period exceeding 12 months or contains 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.

Allocated registered shares and Performance Share Units

	Registered shares	Performance Share Units
Alfred N. Schindler, Chairman	3 762	–
Dr. Rudolf W. Fischer	3 224	–
Prof. Dr. Karl Hofstetter	5 875	–
Silvio Napoli	6 179	1 800
Jürgen Tinggren	2 388	–

The number of shares disclosed is a provisional figure based on the volume-weighted average price in December 2016, less a discount of 20%. The final number is reported in the following year’s Compensation Report.

In CHF	Performance Share Plan	Deferred Share Plan
Participation right	Registered share	PSU on registered share
Volume-weighted average price in March 2016		173.61
Volume-weighted average price in December 2016	175.87	
Value for inclusion in variable compensation	158.28	156.25

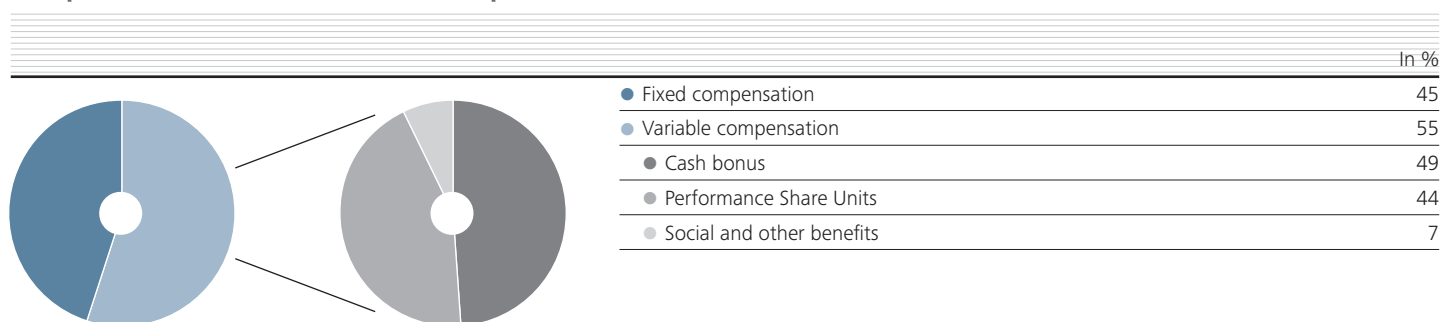
4.2 Group Executive Committee

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 2016
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Other benefits	Social contributions	
Total compensation	6 387	2 507	5 367	4 883	223	556	19 923
Highest individual compensation: Thomas Oetterli, CEO	925	235	1 168	946	58	122	3 454

For the reporting year, the variable component of the compensation awarded to the members of the Group Executive Committee averaged 55% of total compensation and comprised the following:

Compensation of members of the Group Executive Committee



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 125% based on the targets set for 2016.

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 2018. 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, none of these employment contracts has a notice period exceeding 12 months or contains 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	31 253
Thomas Oetterli, CEO	6 053

Value per Performance Share Unit

	Deferred Share Plan
In CHF	
Participation right	PSU on registered shares
Volume-weighted average price in March 2016	173.61
Value for inclusion in variable compensation	156.25

4.3 Approved fixed compensation

	Board of Directors	Group Executive Committee
In CHF 1 000		
Approved by the General Meeting of Shareholders 2016	8 900	9 400
Actual fixed compensation 2016	8 470	8 894

5 Compensation for the previous year

5.1 Board of Directors

In CHF 1 000	Fixed compensation			Variable compensation		Total 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	3 570 ⁹
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}	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 Including fees for consulting services

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 decided to allocate registered shares under the capital participation plans.

Allocated registered shares

	Registered shares
Alfred N. Schindler, Chairman	3 797
Dr. Rudolf W. Fischer	6 804
Jürgen Tinggren	8 165
Prof. Dr. Karl Hofstetter	5 988

The final number of registered shares was calculated using an allocation value of CHF 138.88, which corresponds to the volume-weighted average share price in March 2016 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 2015, less 20%, resulting in a provisional allocation value of CHF 133.41).

5.2 Group Executive Committee

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

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

Allocated Performance Share Units

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

6 Benefits for former members of governing bodies

No 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, 2016.

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, 2016.

8 Proposals to the General Meeting of Shareholders 2017

The aggregate amount of fixed compensation for the Board of Directors and the Group Executive Committee for the current financial year 2017 and the aggregate amount of variable compensation for the reporting year 2016 will be proposed to the General Meeting of Shareholders in March 2017 for approval.

8.1 Fixed compensation for 2017

The aggregate amount of fixed compensation for the Board of Directors to be approved is CHF 5.9 million (amount proposed in 2016: CHF 8.9 million). The difference to last year's proposal represents primarily the reduction in executive members of the Board of Directors from three to two with effect from April 2017.

The aggregate amount of fixed compensation for the Group Executive Committee to be approved is CHF 11.7 million (amount proposed in 2016: CHF 9.4 million). The difference to last year's proposal represents primarily the continuing contractual payments to the members of the Group Executive Committee stepping down in 2017 and the full year inclusion of compensation to the members of the Group Executive Committee who serve since April 2016.

8.2 Variable compensation for 2016

The aggregate amount of variable compensation for the Board of Directors to be approved is CHF 7 953 000.

The aggregate amount of variable compensation for the Group Executive Committee to be approved is CHF 11 029 000. This includes the value of the Performance Share Units that would be converted into registered shares if Group growth and profitability 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 125% based on the targets set for 2016.

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

2016

	Participation		Number
	Registered shares	certificates	Options
As of 31.12.			
Alfred N. Schindler, Chairman ¹	³	43 330	–
Luc Bonnard, Vice Chairman ²	³	–	3 171 ⁴
Prof. Dr. Karl Hofstetter ¹	78 775	21 159	28 204 ⁵
Silvio Napoli ¹	16 687	9 981	–
Prof. Dr. Pius Baschera ²	3 000	–	–
Patrice Bula ²	1 500	–	–
Prof. Dr. Monika Bütler ²	1 500	–	–
Dr. Rudolf W. Fischer ²	27 645	–	3 171 ⁴
Anthony Nightingale ²	3 000	–	–
Rolf Schweiger ²	3 375	–	–
Carole Vischer ²	³	–	–
Prof. Dr. Klaus W. Wellershoff ²	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Non-executive member

³ 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 47 655 782 shares as at December 31, 2016, corresponding to 71.0% of the voting rights of the share capital entered in the Commercial Register.

⁴ Fully vested options on registered shares granted under the Capital Participation Plan 2000 (option plan allocation 2013)

⁵ 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

2015

			Number
	Registered shares	Participation certificates	Options
As of 31.12.			
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

9.2 Group Executive Committee

2016

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009	Registered shares allocated 2010	Participation certificates allocated 2011	Participation certificates allocated 2012 ¹	Registered shares allocated 2013 ¹
As of 31.12.									
Thomas Oetterli, CEO	12 995	7 307	–	–	2 000 ³	4 529 ⁴	5 142 ⁵	–	–
Miguel A. Rodríguez	26 844	–	4 279	10 234	–	6 340 ⁴	5 999 ⁵	–	–
Erich Ammann	18 931	–	–	–	–	–	–	–	–
Karl-Heinz Bauer	–	–	–	–	–	–	–	–	–
David Clymo	5 703	454	–	–	–	–	–	–	–
Paolo Compagna	1 505	284	–	–	–	–	–	–	–
Carlos Gueembe	3 994	1 989	–	–	7 246 ³	2 355 ⁴	2 228 ⁵	–	–
Albert Haffert	9 308	3 000	–	–	–	4 982 ⁴	6 856 ⁵	–	–
Andre Inserra	3 289	–	–	–	–	–	–	–	–
Michael Nilles	4 704	–	–	–	–	291 ¹	2 145 ¹	1 859	1 533
Oswald Schmid	2 767	4 358	–	–	–	2 944 ⁴	3 000 ⁵	–	2 776
Christian Schulz	4 771	–	–	–	1 104 ¹	577 ¹	617 ¹	371	252
Daryoush Ziai	168	–	–	–	–	–	–	–	–

¹ Options from Capital Participation Plan 2000/2003

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

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

Information on the conditions that apply to options is provided in note 35.2 to the consolidated financial statements.



To the General Meeting of
Schindler Holding Ltd, Hergiswil

Basle, 14 February 2017

Report of the statutory auditor on the compensation report

We have audited the compensation report of Schindler Holding Ltd for the year ended 31 December 2016. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in sections 4 to 7 and 9 of the compensation report.

Board of Directors' responsibility

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

Auditor's responsibility

Our responsibility is to express an opinion on the compensation 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 compensation 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 compensation 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 compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation 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 compensation report for the year ended 31 December 2016 of Schindler Holding Ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

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, 2016, 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, 2016, the market capitalization of Schindler Holding Ltd. amounted to CHF 19.2 billion. Schindler Holding Ltd. has a direct or indirect interest in the consolidated companies listed in note 38 of the Group Financial Statements.

As one of the world's leading suppliers of elevators, escalators, and moving walks, the Schindler Group 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, 2016, 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)

Chief Digital Officer

Corporate Human Resources

Field Quality & Excellence

New Installations and Supply Chain

Existing Installations

Europe North

Europe South

Americas

China

Information on organizational or management changes after December 31, 2016, 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 2016, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 655 782 registered shares of Schindler Holding Ltd., corresponding to 71.0% 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 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). No notifications according to Article 120 of FMIA 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

With effect from February 1, 2017, Christian Schulz, previously Head of Existing Installations, was appointed Head of Operations with responsibility for both New Installations and Service Business. Egbert Weisshaar, previously Head of the Escalator Division, was appointed to the Group Executive Committee as Head of Escalators and Supply Chain, effective February 1, 2017. Oswald Schmid has stepped down from the Group Executive Committee.

Furthermore, the Board of Directors announced on January 26, 2017, that the following changes will take effect from April 1, 2017:

Miguel A. Rodríguez, who is currently responsible for the region Asia-Pacific and Middle East, will step down from the Group Executive Committee. Responsibility for the Middle East operations will be transferred to the region Europe South. Robert Seakins, currently CEO Schindler Australia, will become a member of the Group Executive Committee with responsibility for the region Asia-Pacific.

The structure and composition of the Group Executive Committee is as follows, effective April 1, 2017:

As of 1.4.2017	Nationality	Function
Thomas Oetterli (1969)	Switzerland	CEO
Erich Ammann (1957)	Switzerland	Deputy CEO, 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
Christian Schulz (1964)	Germany	Operations
Robert Seakins (1960)	Australia	Asia-Pacific
Egbert Weisshaar (1956)	Switzerland	Escalators and Supply Chain
Daryoush Ziai (1963)	USA	China

With effect from April 1, 2017, the Board of Directors will have four standing committees: the Supervisory and Strategy Committee, the Nomination Committee, the Compensation Committee, and the Audit Committee. The members of the Nomination Committee will be: Silvio Napoli (chair), Alfred N. Schindler, Luc Bonnard and Karl Hofstetter.

Further details can be found in the press release of January 26, 2017: [www.schindler.com – Media – Press Releases English \(www.schindler.com/com/internet/en/media/press-releases-english.html\)](http://www.schindler.com – Media – Press Releases English (www.schindler.com/com/internet/en/media/press-releases-english.html)).

2 Capital structure

2.1 Capital

As at December 31, 2016, the ordinary share capital of Schindler Holding Ltd. totaled CHF 6 707 745.20 and its participation capital totaled CHF 4 071 683.10.

2.2 Authorized and conditional capital

As at December 31, 2016, 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, 2016, the share capital totaled CHF 6 707 745.20. It is divided into 67 077 452 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, 2016, the participation capital totaled CHF 4 071 683.10. It is divided into 40 716 831 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 may 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 2016.

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 – General Meetings \(www.schindler.com/internet/en/investor-relations/articles-of-association.html\)](http://www.schindler.com – Investor Relations – General Meetings (www.schindler.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		Blocked period ends	Exercise period ends	Number as of 31.12.2016		
		allocated (number)	Exercise price in CHF			Forfeited	Exercised	Outstanding
2007	A	160 711 ¹	56.20	30.4.2010	30.4.2016	-4 010	-156 701	-
2008	A	357 092 ¹	80.90	30.4.2011	30.4.2017	-14 917	-309 092	33 083
2008	B	155 311 ¹	78.90	30.4.2011	30.4.2017	-	-145 077	10 234
2009	A	464 175 ¹	56.40	30.4.2012	30.4.2018	-2 030	-392 068	70 077
2009	B	314 783 ¹	56.40	30.4.2012	30.4.2018	-2 407	-294 211	18 165
2010	A	207 896 ²	53.60	30.4.2013	30.4.2019	-483	-154 972	52 441
2010	B	107 739 ²	85.10	30.4.2013	30.4.2019	-6 159	-55 323	46 257
2011	A	222 621 ²	85.10	30.4.2014	30.4.2020	-901	-149 288	72 432
2011	B	104 854 ²	124.80	30.4.2014	30.4.2020	-	-52 005	52 849
2012	A	162 002 ²	108.20	30.4.2015	30.4.2021	-750	-85 582	75 670
2013	A	138 012 ¹	137.84	30.4.2016	30.4.2022	-9 442	-32 488	96 082

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 13 members, currently has 12 members. Three 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. The three executive members of the Board of Directors form the Supervisory and Nomination Committee. The nine 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 31.12.2016	Domicile	Nationality	Function	In office since ¹
Alfred N. Schindler (1949)	Hergiswil, Switzerland	Switzerland	Chairman, executive member	1977
Luc Bonnard (1946)	Hergiswil, Switzerland	Switzerland	Vice Chairman, non-executive member, independent	1984
Prof. Dr. Karl Hofstetter (1956)	Meggen, Switzerland	Switzerland	Executive member	2006
Silvio Napoli (1965)	Küsnacht, Switzerland	Italy	Executive member	2016
Prof. Dr. Pius Baschera (1950)	Zurich, Switzerland	Switzerland, Italy	Non-executive member, independent	2005
Patrice Bula (1956)	Yens, Switzerland	Switzerland	Non-executive member, independent	2015
Prof. Dr. Monika Bütler (1961)	Zurich, Switzerland	Switzerland	Non-executive member, independent	2013
Dr. Rudolf W. Fischer (1952)	Walchwil, Switzerland	Switzerland	Non-executive member	2012
Anthony Nightingale (1947)	Hong Kong SAR, China	United Kingdom	Non-executive member, independent	2013
Rolf Schweiger (1945)	Baar, Switzerland	Switzerland	Non-executive member, independent	2009
Carole Vischer (1971)	Hergiswil, Switzerland	Switzerland	Non-executive member, independent	2013
Prof. Dr. Klaus W. Wellershoff (1964)	Zurich, Switzerland	Germany	Non-executive member, independent	2009

¹ Annual General Meeting of Shareholders in the year shown

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 of Finance in Philadelphia, Pennsylvania, USA

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

Qualifications

– MBA from The Wharton School of Finance in Philadelphia, Pennsylvania, USA

– Degree in law from the University of Basel, Switzerland

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

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

Member of the Board of Directors since 2006

Member of the Supervisory and Nomination Committee since 2016

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

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

Silvio Napoli, born 1965, Italian citizen

Member of the Board of Directors and member of the Supervisory and Nomination Committee since 2016

Professional experience

- 2014–2016 CEO Schindler Group
- 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, Emmen, 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
- 1992–1994 Harvard Graduate School of Business Administration, Boston, USA
- 1989–1992 Various functions at The Dow Chemical Co., Rheinmünster, Germany

Qualifications

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

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
- President of the Board of Trustees of ETH Zurich Foundation, Zurich, Switzerland

Qualifications

- Doctor of science from the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland
- Degree in mechanical engineering and management 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., Zurich, 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
- Member of the Board of Directors of Froneri (Joint Venture Nestlé + R&R Ice Cream), London, UK

Qualifications

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

Prof. Dr. Monika Bütler, 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

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

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

Member of the Board of Directors since 2012

Member of the Compensation Committee since 2012

Professional experience

- 2012–2016 Member of the Supervisory and Nomination Committee, Schindler Holding Ltd., Hergiswil, Switzerland
- 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

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; Prudential plc, UK, and Shui On Land Ltd., Cayman Islands
- Commissioner of PT Astra International, Jakarta, 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, UK

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

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

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, Zurich, 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
- Chairman of the Board of Directors of ZWEI Wealth Experts AG, Zurich, Switzerland
- Member of the Board of Trustees of the Ernst Schmidheiny Foundation, Holderbank, Switzerland
- Member of the Board of Trustees of the ResOrtho Foundation, Zurich, Switzerland

Qualifications

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

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 committee.

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 31.12.2016		
Alfred N. Schindler	Chairman, executive member of the Board of Directors	Chairman
Prof. Dr. Karl Hofstetter	Executive member of the Board of Directors	Member
Silvio Napoli	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 31.12.2016		
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Chairman
Dr. Rudolf W. Fischer	Non-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 31.12.2016		
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 one two-day meeting, one one-and-a-half-day meeting, one full-day meeting, two half-day meetings, and two telephone conferences, as well as one two-day meeting together 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, 26 meetings and 14 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 two full-day meetings and two half-day meetings, as well as one telephone conference. The Compensation Committee held three 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 Article 716a, paragraph 1, of the Swiss Code of Obligations 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 31.12.2016	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 Insera (1964)	Brazil	Americas
Michael Nilles (1973)	Germany	Chief Digital Officer
Oswald Schmid (1959)	Austria	New Installations and Supply Chain
Christian Schulz (1964)	Germany	Existing Installations
Daryoush Ziai (1963)	USA	China



Standing, from left: Oswald Schmid, Carlos Guembe, Christian Schulz, Thomas Oetterli, Andre Inserra, Miguel A. Rodríguez, Albert Haffert, Karl-Heinz Bauer
Sitting, from left: Michael Nilles, David Clymo, Daryoush Ziai, Paolo Compagna, Erich Ammann

Thomas Oetterli, born 1969, Swiss citizen

CEO since 2016

Professional experience

- 2010–2016 Member of the Schindler Group Executive Committee
 - 2013–2016: Responsible for China
 - 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

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

Other activities

Member of the Board of Directors of Swiss Federal Railways (SBB AG), Berne,
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

2007–2015 Chief Technology Officer with global responsibility at Honeywell
Transportation Systems, Torrance, USA, and Rolle, Switzerland
1994–2007 Various positions at BorgWarner Inc., including Global Vice President
Engineering, Auburn Hills, USA, and Germany
1986–1994 Various engineering and management positions at Dr. Ing. h. c.
F. PORSCHE AG, Weissach, Germany
1984–1986 Product Development Engineer at Robert Bosch GmbH,
Stuttgart, Germany

Qualifications

- Business degree from the MIT Sloan School of Management, Cambridge,
Massachusetts, USA
- 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 Pricewaterhouse, 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's degree in foreign trade from EOI, Madrid, Spain
- Degree in industrial electrical engineering from 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 and Manager of the component plant in Berlin

Qualifications

Degree in business engineering from the Technical University of Berlin, Germany

Andre Inserra, born 1964, Brazilian citizen

Member of the Group Executive Committee since 2016

Responsible for Americas

Professional experience

2012–2016 CEO of Atlas Schindler, Brazil

2008–2011 Head of Global Business Unit Mining and Cement at ABB, USA and Switzerland

1994–2007 Various functions at ABB, São Paulo, Brazil

1989–1990 Engineer at Indústrias Villares S.A., São Paulo, Brazil

Qualifications

- Master’s degree in industrial management from Chalmers University of Technology, Gothenburg, Sweden
- Degree in mechanical engineering from FAAP (Fundação Armando Álvares Penteado), São Paulo, Brazil

Michael Nilles, born 1973, German citizen

Member of the Group Executive Committee since 2016

Chief Digital Officer

Professional experience

2009–2016 CIO of Schindler Group and CEO of Schindler Digital Business AG, Switzerland

2008–2009 CIO and CPO of Schaeffler AG, Herzogenaurach, Germany

2006–2008 CIO of Bosch Rexroth AG, Lohr am Main, Germany

2000–2005 CIO Americas of Bosch Rexroth Corp., Chicago, USA

1998–1999 IT Director at Mannesmann Rexroth (China) Ltd., Hong Kong, China

1996–1997 Consultant at SAP China, Shanghai, China

Other activities

Member of the Supervisory Board of Lufthansa Technik AG, Hamburg, Germany

Qualifications

Master’s degree in business administration and computer science, University of Cologne, Germany

Oswald Schmid, born 1959, Austrian citizen

Member of the Group Executive Committee since 2013

Responsible for New Installations 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, Hanover, 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

Christian Schulz, born 1964, German citizen

Member of the Group Executive Committee since 2016

Responsible for Existing Installations

Professional experience

- 2015–2016 Head of Service and Modernization business, Schindler Group
- 2009–2014 Managing Director of the C. Haushahn Group, Germany
- 2003–2009 Product Line Manager, Existing Installations, Schindler Germany
- 1998–2003 Managing Director of ABB NetServ, Mannheim, Germany
- 1993–1998 Various management positions at ABB, Mannheim and Heidelberg,
Germany

Qualifications

- Ph.D. in mechanical engineering from the University of Kaiserslautern, Germany
- Degree in production engineering from the University of Kaiserslautern, Germany

Daryoush Ziai, born 1963, US citizen

Member of the Group Executive Committee since 2016
Responsible for China

Professional experience

- 2015–2016 CEO, Schindler China
- 2014–2015 Vice President, Service, Otis China Area at United Technologies Corporation, Shanghai, China
- 2003–2014 Various management positions at United Technologies Corporation, Dubai, UAE; Shanghai, China; Boston, USA; Syracuse, USA; and Atlanta, USA

Qualifications

- MBA (Master of science in management) from Krannert Graduate School of Management, Purdue University, West Lafayette, USA
- Master of science in civil engineering from Purdue University, West Lafayette, USA
- Bachelor of science in civil engineering from Virginia Military Institute, Lexington, USA

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. If the Chairman orders it, or the General Meeting of Shareholders decides so, votes will be cast by means of a written procedure. Since 2014, resolutions have been taken and elections have been carried out 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 pursuant to Article 125 of FMIA

According to Article 39 of the Articles of Association, the obligation to submit a public takeover offer 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	2016	2015
Audit fee	3 595	3 245
Additional fees		
Additional audit-related services	127	87
Tax advice	407	702
Transaction advice	359	345
Total additional fees	893	1 134

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, two meetings took place with the Audit Committee.

Group Assurance reported once to the Audit Committee and once to the Board of Directors.

9 Information policy

The Schindler Group pursues an information policy which is timely, fact based, and comprehensive. 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 receive potentially price-relevant information directly, 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 the 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 – Investor Relations – Financials & Reports (www.schindler.com/com/internet/en/investor-relations/reports.html). Schindler also presents its annual financial statements at its annual results media and analysts 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 – Investor Relations – Financials & Reports (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 2016 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

Manuel Rickenbacher
Zurich, Switzerland

Group Executive Committee

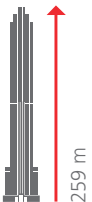
(page 117):

E. T. Studhalter,
Sulz, Switzerland





30 Rockefeller Plaza, New York, USA



'30 Rock' – as the Art Deco-style skyscraper built in the 1930s is also known – forms the centerpiece of the famous Rockefeller Center. Schindler modernized 63 elevators and provides maintenance services for 76 elevators and 9 escalators. It thus helps to ensure visitors can be transported around this historic building safely and efficiently.