

**QUARTERLY INFORMATION RELATED TO**

**2<sup>nd</sup> SEMESTER F.Y. 2013**

**FISCAL YEAR: DECEMBER 1, 2012 - NOVEMBER 30, 2013**

## 1. DIVIDENDS

At the end of the second semester of 2013, three quarterly dividends and a partial distribution of share premium have been distributed as follows:

### Dividends:

Date	Gross per share	Charged to	Shares entitled to dividend	Total gross dividend
Dec. 10 <sup>th</sup>	0.11 euros	<sup>3rd</sup> on account 2012	385.241.499	42.376.564,89 €
Treasury Stock			(46.231)	(5.085,41) €
Total			385.195.268	<b>42.371.479,48 €</b>
April 10 <sup>th</sup>	0.10 euros	<sup>1st</sup> on account 2013	402.154.866	40.215.486,60 €
Treasury Stock			(46.231)	(4.623,10) €
Total			402.108.635	<b>40.210.863,50 €</b>
Oct. 10 <sup>th</sup>	0,09 euros	<sup>2nd</sup> on account 2013	418.241.060	37.641.695,40 €
Treasury Stock			(29.176)	(2.625,84) €
Total			418.211.884	<b>37.639.069,56 €</b>

### Partial distribution of Share Premium:

Date	Amount	Shares entitled	Total
July 10 <sup>th</sup>	0.08 euros	402.154.866	32.172.389,28 €
Treasury Stock		(46.231)	(3.698,48) €
Total		402.108.635	<b>32.168.690,80 €</b>

## Zardoya Otis, S.A.

Additionally on December 10, 2013 Zardoya Otis, S.A declared the third dividend corresponding to 2013, third on account of the fiscal year profit:

Date	Gross per share	Charged to	Shares entitled to dividend	Total gross dividend
Jan 10 <sup>th</sup>	0.09 euros	<sup>3rd</sup> on account 2013	418.241.060	37.641.695,40 €
Treasury Stock			(29.176)	(2.625,84) €
Total			418.211.884	<b>37.639.069,56 €</b>

Dividends and partial distribution of share premium declared in 2013 totalled 147.7 million euros, with a reduction of 16.4% in comparison with the preceding year and represent a pay-out of 94,1% of the consolidated profit for the year attributable to shareholders of Zardoya Otis, S.A, continuing with the Company's policy of distributing to shareholders an amount close to a 100% pay-out.

## 2. KEY DATA

At the end of the fiscal year (December 1, 2012 to November 30, 2013) consolidate figures and its comparison with last year ones, are as follows:

<b>Key Data at November 30</b> (fiscal year end)									
<b>(Consolidated figures in millions of euros)</b>									
<b>Annual results</b>	<b>2.013</b>	<b>2.012</b>	<b>2.011</b>	<b>2.010</b>	<b>2.009</b>	<b>% variance over prior year</b>			
						<b>13/12</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>
Profit before tax	225,2	261,0	276,1	291,8	288,1	(13,7)	(5,5)	(5,4)	1,3
Profit after tax	157,0	181,1	194,0	205,1	202,1	(13,3)	(6,7)	(5,4)	1,5
EBITDA	253,2	278,0	289,2	305,5	299,5	(8,9)	(3,9)	(5,3)	2,0
Cash-Flow	184,0	197,9	209,2	221,0	216,2	(7,0)	(5,4)	(5,3)	2,2
Dividends paid	147,7	176,7	191,5	194,3	198,1	(16,4)	(7,7)	(1,5)	(1,9)
<b>Shareholders' Equity</b>									
Capital and Reserves	395,2	238,5	229,5	244,0	233,3	65,7	3,9	(6,0)	1,2
(*) Includes Treasury Stock									
<b>Sales Data</b>									
	<b>2.013</b>	<b>2.012</b>	<b>2.011</b>	<b>2.010</b>	<b>2.009</b>	<b>% variance over prior year</b>			
						<b>13/12</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>
New Installations	53,8	74,3	93,7	115,5	139,8	(27,5)	(20,7)	(18,8)	(17,4)
Service	579,9	602,8	631,0	666,7	668,2	(3,8)	(4,5)	(5,3)	(0,2)
Total Exports	133,4	144,6	109,2	94,4	94,2	(7,8)	32,4	15,7	0,2
Exports to Portugal and Morocco (*)	(7,9)	(12,5)	(14,8)	(13,7)	(17,1)	(37,0)	(15,8)	8,1	(19,5)
Net Exports (without Portugal)	125,5	132,1	94,3	80,6	77,1	(5,0)	40,0	17,0	4,5
	759,2	809,1	819,1	862,8	885,1	(6,2)	(1,2)	(5,1)	(2,5)
(*) Deducted as they are already included in consolidated sales.									
<b>New Installations</b>									
	<b>2.013</b>	<b>2.012</b>	<b>2.011</b>	<b>2.010</b>	<b>2.009</b>	<b>% variance over prior year</b>			
						<b>13/12</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>
Orders received	75,5	78,6	90,4	114,1	114,7	(3,8)	(13,1)	(20,8)	(0,6)
Backlog	76,1	66,6	87,6	107,6	117,4	14,2	(24,0)	(18,5)	(8,3)
<b>Service Data</b>									
	<b>2.013</b>	<b>2.012</b>	<b>2.011</b>	<b>2.010</b>	<b>2.009</b>	<b>% variance over prior year</b>			
						<b>13/12</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>
Units under maintenance	284.940	270.082	268.915	268.147	264.871	5,5	0,4	0,3	1,2
Maintenance centers	372	375	364	374	372	(0,8)	3,0	(2,7)	0,5
<b>Manpower</b>									
	<b>2.013</b>	<b>2.012</b>	<b>2.011</b>	<b>2.010</b>	<b>2.009</b>	<b>% variance over prior year</b>			
						<b>13/12</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>
Total manpower	5.399	5.332	5.425	5.602	5.854	1,3	(1,7)	(3,2)	(4,3)

### 3. COMMENTS

#### **CONSOLIDATED RESULTS OF ZARDOYA OTIS GROUP**

The consolidated profit before tax at the 2013 year end was 225.2 million euros, with a 13.7% reduction in respect of 261.0 million euros obtained in 2012.

The EBITDA amount (operating profit + depreciation + amortization) in 2013 was 253.2 million euros, 8.9% lower to the 278.0 million achieved in 2012.

The consolidated profit after tax attributable to shareholders (net profit after non-controlling interest) was 157.0 million euros, 13.3% less to that of 2012.

The consolidated Cash Flow (net profit + depreciation + amortization) at the end of 2013 was 184.0 million euros, 7.0% lower to that of 2012.

Fiscal year 2013 figures includes the consolidation as of February of the results of the Enor group contributing with a profit before taxes of 7.2 million euros and an additional assets amortization of 3.2 million euros.

#### **SALES**

##### **Total sales**

The total consolidated sales figure reached 759.2 million euros, in comparison with the 809.1 million euros of 2012, or a drop of 6.2%.

The contribution of the 2013 sales of Enor group to the consolidated sales was 32.6 million euros.

##### **New Sales**

**Work completed:** The value of work completed in 2013 was 53.8 million euros, lower by 27.5% in relation to 2012, consequence of the already known lower activity in the construction sector in general and especially in residential construction.

In 2013, New Sales represented 7.09% of total billing (9.18% in 2012).

**Orders received:** The amount obtained in 2012 for orders received of New Installations, was 75.5 million euros, 3.8% below the figure obtained in 2012.

**Backlog of unfilled orders,** the backlog of unfilled orders at the end of 2013 grows by 14.2% over 2012 due to the inclusion of the Enor group portfolio and the computation of the non-completed refurbishment projects, reaching the figure of 76.1 million euros.

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### Service

**Sales:** Overall consolidated Service sales were 579.9 million euros, 3.8% less than in 2012, mainly affected by the moderation of level of consumer prices and the lower volume of completed modernization and repair projects

Service activity represented in 2013, 76.4% of total Group revenue.

**Units under maintenance of the Zardoya Otis Group:** In 2013 the number of units grew by 5.5% on the preceding year. In total, the maintenance portfolio reached by the Group is 284.940 units after the integration of the Enor group units.

**Exports,** sales totalled 125,5 million euros, with a reduction of 5% on the figure obtained last year. In 2013, exports represented 16.5% of the Group's total consolidated revenue (16.3% in 2012).

### Total Manpower

At the end of 2013, Zardoya Otis Group employees were 5,399, which represent an increase of 1.3%, compared with 2012 after the incorporation of the Enor group.

### Summary of the risk policy of the Group

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused on the uncertainty of the financial markets and trying to minimize the potential negative effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with policies approved by the parent company's Board of Directors. Management assesses and hedges financial risks in close collaboration with the Group's operating units, in order to:

- Ensure that the most important risks are identified, assessed and managed.
- Ensure an appropriate operating segregation of the risk management functions.
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

The Audit Committee is responsible for periodically reviewing the internal control and risk management systems, so that the main risks are properly identified, managed and disclosed, through control devices that allow the main potential risks of the Company and its Group to be evaluated. The Company has the risks that affect assets and liabilities covered by the appropriate insurance policies. Likewise, it has processes that ensure control of any risk that may stem from trading operations.

The complete explanation of the Group risk management is included In the note 5 of the complementary notes to the interim accounts corresponding to the second half of the fiscal year 2013.

#### **4. SHARE CAPITAL INCREASE: BONUS SHARES**

The capital increase approved by the General Meeting of Shareholders on May 27, 2013 -by means of bonus shares in the proportion of one new share for each twenty five old outstanding ones- took place from July 15, 2013 until July 30, 2013.

This increase in share capital is number 38 and 37 of those issued through bonus shares.

Once the Share Capital increase has been completed, the Capital Stock is 41,824,106.00 Euros, is represented by 418,241,060 ordinary shares, with a par value of 0.10 euros each.

The new shares were authorized for trade on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, on September 5, 2013.

#### **5. TREASURY SHARES**

As of November, 30 2013 Zardoya Otis, S.A maintain 29,176 treasury shares (46.231 at 2012 year-end). Due to the non-controlling interest transaction mentioned in Note 6, Zardoya Otis exchanged 18,904 treasury shares. The above mentioned figure includes 1,849 shares received in the bonus issue.

#### **6. SIGNIFICANT EVENTS**

In December 2012 Puertas Automáticas Portis S.L. signed an agreement to acquire from minority shareholders its own shares representing a 3.07 % for an amount of Eths 1,201. This transaction does not change the Zardoya Otis S.A. percentage of ownership in the subsidiary.

In December, 2012, Zardoya Otis, S.A. acquired the remaining 49% of Mototraccion Electrica Latierro, S.A. for an amount of EThs 3,573.

On December, 20 2012 the Board of Directors of Zardoya Otis, S.A. agreed to to call an Extraordinary General Shareholders' Meeting of the Company which took place in second call on January 30, 2013, with the following items in the agenda:

- Capital increase through a non-monetary contribution consisting of 3,338,463 registered shares representing the entirety of the share capital of the company Grupo Ascensores Enor, S.A. for a nominal amount of 3 euros by means of issuing 16.913.367 ordinary shares in the Company with a nominal value of 0.10 euros each.
- Authorization so that, in accordance with the contents of article 149 of the LSC, the Company may directly or indirectly accept its own shares as a guarantee.
- Amendment of article 9 of the Bylaws (rights conferred by the shares).

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It was approved by the Extraordinary General Shareholders' Meeting to increase the Company's share capital, 38,524,149.90 euros, in the amount of 1,691,336.70 euros, by issuing 16,913,367 new ordinary shares in the Company with a nominal value of 0.10 euros each and a share premium of 9.10 per share (giving a total of 153,911,639.70 euros as a share premium).

On February 7, the 3.338.463 Enor shares, representatives of 100% of its capital, were exchanged by the 16.913.367 Zardoya Otis, S.A. shares issued to that effect, as registered in the commercial registry of Madrid on February 14, 2013. The book value attributed to these shares at market price is 175,729,883.13 euros. The new shares were admitted to trading on March 14<sup>th</sup> 2013, and to that date a total of 2.198.738 new shares have been pledged in favor of the company. There is no pact that restricts the free transferability of the remaining new shares.

The shares issued to execute the Capital Increase will be fully paid up by the shareholders owning the shares that represent 100% of the share capital of ENOR by means of a non-monetary contribution of 3,338,463 registered shares of ENOR, with a nominal value of 3 euros each, representing the entirety of ENOR's share capital.

The total cost of the business combination at February 7, 2013, determined provisionally totalled 175,729,883.13 euros. There are no costs attributable to the business combination other than audit costs, assets valuation by independent expert and legal expenses on the transfer, which are not significant and registered as period cost when incurred. The cost of the business combination has been determined provisionally, since some items must be measured definitively one year after the acquisition date. However, no significant variations on the aforementioned figure are forecast.

Additionally, there is a syndication agreement concluded between the two major shareholders of the company; United Technologies Holdings, S.A.S ("UTH") and Euro Syns, S.A., corresponding to the 2.10% of the share capital which has its origin in the operation of acquisition of group Ascensores Enor, S.A. described above and published by means of relevant fact date January 30, 2013.

Referred syndication Pact was held in the interest of the acquisition of Enor operation, so that UTH is holder at any time more than 50% of the voting rights on society.

In July, 2013, Zardoya Otis, S.A. acquired the remaining 30% of Cruxent-Edelma, S.L., for an amount of EThs 13,328.

Additionally, in July, 2013 Zardoya Otis, S.A. acquired the 8.33% of the non-controlling interest of the company Admotion, SL. valued in Eths 200 using the Treasury Stock (18.904 shares held in portfolio) for payment.

In October, 2013 Zardoya Otis, S.A. acquired another 8.33% of the non-controlling interest of the company Admotion, SL. for an amount of Eths 230 paid in cash.

In November 2013, Portis S.L. used its own shares held since December 2012 in payment of the Eths 1,179 outstanding from the acquisition of Fercas. The rest of treasury stock, EThs 22, were cancelled against the company equity.

The transactions with non-controlling interest will be reflected in the annual accounts corresponding to the fiscal year started in December 2012 and will be recognized as a minority transaction, thus without impact on the consolidated profit of the period.



## **7. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

On December 10, 2013 Zardoya Otis, S.A declared the fourth dividend corresponding to 2013, third on account of the fiscal year profit, for an amount of 0.09 Euros gross per share, resulting in a total dividend gross of EThs. 37.641. The payment of this dividend was paid on January 10, 2014.

In January, 2014 Zardoya Otis, S.A. acquired the remaining 8.33% of the non-controlling interest of the company Admotion, S.L., thus completing the 100% ownership of such company. The payment was done using the treasury stock (18.500 shares).