

**QUARTERLY INFORMATION RELATED TO**

**2<sup>nd</sup> SEMESTER F.Y. 2014**

**FISCAL YEAR: DECEMBER 1, 2013 - NOVEMBER 30, 2014**

## 1. DIVIDENDS

At the end of the second semester of 2014, 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
Jan 10 <sup>th</sup>	0.09 euros	3 <sup>rd</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>
April 10 <sup>th</sup>	0.09 euros	1 <sup>st</sup> on account 2014	418.241.060	37.641.695,40 €
Treasury Stock			(10.676)	(960,84) €
Total			418.230.384	<b>37.640.734,56 €</b>
Oct. 10 <sup>th</sup>	0,09 euros	2 <sup>nd</sup> on account 2014	434.970.702	39.147.363,18 €
Treasury Stock			(11.103)	(999,27) €
Total			434.959.599	<b>39.146.363,91 €</b>

### Partial distribution of Share Premium:

Date	Amount	Shares entitled	Total
July 10 <sup>th</sup>	0.08 euros	418.241.060	33.459.284,80 €
Treasury Stock		(10.676)	(854,08) €
Total		418.241.060	<b>33.458.430,72 €</b>

## Zardoya Otis, S.A.

Additionally on December 10, 2014 Zardoya Otis, S.A declared the third dividend on account of the 2014 fiscal year profit:

Date	Gross per share	Charged to	Shares entitled to dividend	Total gross dividend
Jan 12 <sup>th</sup>	0.09 euros	<sup>3rd</sup> on account 2014	434.970.702	36.972.509,67 €
Treasury Stock			(11.103)	(944,76) €
Total			434.959.599	<b>36.971.565,91 €</b>

Dividends and partial distribution of share premium declared in 2014 totalled 147.2 million euros, with a reduction of 0.3% in comparison with the preceding year and represent a pay-out of 95,6 % 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, 2013 to November 30, 2014) consolidate figures and its comparison with last year ones, are as follows:

<i>Key Data at November 30</i> (fiscal year end)									
<i>(Consolidated figures in millions of euros)</i>									
<i>Annual results</i>	2.014	2013 (*)	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
Profit before tax	220,2	218,9	261,0	276,1	291,8	0,6	(16,1)	(5,5)	(5,4)
Profit after tax	154,0	150,8	181,1	194,0	205,1	2,1	(16,7)	(6,7)	(5,4)
EBITDA	242,6	247,0	278,0	289,2	305,5	(1,8)	(11,1)	(3,9)	(5,3)
Cash-Flow	176,2	177,8	197,9	209,2	221,0	(0,9)	(10,2)	(5,4)	(5,3)
Dividends paid	147,2	147,7	176,7	191,5	194,3	(0,3)	(16,4)	(7,7)	(1,5)
<i>Shareholders' Equity</i>									
	2.014	2013 (*)	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
Capital and Reserves	412,1	407,1	238,5	229,5	244,0	1,2	70,7	3,9	(6,0)
(*) Includes Treasury Stock									
<i>Sales Data</i>									
	2.014	2.013	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
New Installations	39,4	53,8	74,3	93,7	115,5	(26,8)	(27,5)	(20,7)	(18,8)
Service	546,9	579,9	602,8	631,0	666,7	(5,7)	(3,8)	(4,5)	(5,3)
Total Exports	160,5	133,4	144,6	109,2	94,4	20,4	(7,8)	32,4	15,7
Exports to Portugal (*)	(7,9)	(7,9)	(12,5)	(14,8)	(13,7)	(0,1)	(37,0)	(15,8)	8,1
Net Exports (without Portugal)	152,7	125,5	132,1	94,3	80,6	21,7	(5,0)	40,0	17,0
	739,0	759,2	809,1	819,1	862,8	(2,7)	(6,2)	(1,2)	(5,1)
(*) Deducted as they are already included in consolidated sales.									
<i>New Installations</i>									
	2.014	2.013	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
Orders received	76,9	75,5	78,6	90,4	114,1	1,8	(3,8)	(13,1)	(20,8)
Backlog	72,8	76,1	66,6	87,6	107,6	(4,2)	14,2	(24,0)	(18,5)
<i>Service Data</i>									
	2.014	2.013	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
Units under maintenance	284.418	284.940	270.082	268.915	268.147	(0,2)	5,5	0,4	0,3
Maintenance centers	371	372	375	364	374	(0,3)	(0,8)	3,0	(2,7)
<i>Manpower</i>									
	2.014	2.013	2.012	2.011	2.010	% variance over prior year			
						14/13	13/12	12/11	11/10
Total manpower	5.137	5.399	5.332	5.425	5.602	(4,9)	1,3	(1,7)	(3,2)

### 3. COMMENTS

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

The consolidated profit before tax at the 2014 year end was 220.2 million euros, with a 0.6% increase in respect of 218.9 million euros obtained in 2013 after the impact of NIC 19 adoption.

The EBITDA amount (operating profit + depreciation + amortization) in 2014 was 242.6 million euros, 1.8% lower to the 247.0 million achieved in 2013.

The consolidated profit after tax attributable to shareholders (net profit after non-controlling interest) was 154.0 million euros, 2.1% more to that of 2013, affected by the re-calculation of deferred taxes as a consequence of the enforcement of Law 27/2014 on Corporate Income Tax.

The consolidated Cash Flow (net profit + depreciation + amortization) at the end of 2014 was 176.2 million euros, 0.9% lower to that of 2013.

In 2013 figures included the consolidation as of February of the results of the Enor group; in the fiscal year 2014 Enor contributes with a profit before taxes of 9.0 million euros and an additional assets amortization of 3.9 million euros.

#### **SALES**

##### **Total sales**

The total consolidated sales figure reached 739.0 million euros, in comparison with the 759.2 million euros of 2013, or a drop of 2.7%.

The contribution of the 2014 sales of Enor group to the consolidated sales was 41.7 million euros.

##### **New Sales**

**Work completed:** The value of work completed in 2014 was 39.4 million euros, lower by 26.8% in relation to 2013, consequence of the already known lower activity in the construction sector in general and especially in residential construction.

In 2014, New Sales represented 5.30% of total billing (7.09% in 2013).

**Orders received:** The amount obtained in 2014 for orders received of New Installations, was 76.9 million euros, 1.8% above the figure obtained in 2013.

**Backlog of unfilled orders**, the backlog of unfilled orders at the end of 2014 decreases by 4.2% over 2013, reaching the figure of 72.8 million euros.

## **Service**

**Sales:** Overall consolidated Service sales were 546.9 million euros, 5.7% less than in 2013, mainly affected by the moderation of level of consumer prices and the lower volume of completed modernization and repair projects

Service activity represented in 2014, 74.0% of total Group revenue.

**Units under maintenance of the Zardoya Otis Group:** In 2014 the number of units ended in line with the preceding year. In total, the maintenance portfolio reached by the Group is 284.418 units after the integration of the Enor group units.

**Exports**, sales totalled 152,7 million euros, with an increase of 21.7% on the figure obtained last year. In 2014, exports represented 20.66% of the Group's total consolidated revenue (16.53% in 2013).

## **Total Manpower**

At the end of 2014, Zardoya Otis Group employees were 5,137, which represent a decrease of 4.9%, compared with 2013.

## **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.

## Zardoya Otis, S.A.

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 2014.

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

The capital increase approved by the General Meeting of Shareholders on May 26, 2014 -by means of bonus shares in the proportion of one new share for each twenty five old outstanding ones- took place from July 15, 2014 until July 30, 2014.

Once the Share Capital increase has been completed, the Capital Stock is 43,497,070.20 Euros, is represented by 434,970,702 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 12, 2014.

### **5. TREASURY SHARES**

As of November, 30 2014 Zardoya Otis, S.A maintain 11.103 treasury shares (29.176 at 2013 year-end). The above mentioned figure includes 427 shares received in the bonus issue.

### **6. SIGNIFICANT EVENTS**

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).

In May 2014, the subsidiary Acresa Cardellach, S.L. carried out a capital increase through a non-monetary contribution of EThs 8.084 which was subscribed by the entirety of the shareholders of the subsidiary Montoy S.L., which after the capital increase is 100% owned by Acresa Cardellach, S.L.. This transaction resulted in a change of participation by Zardoya Otis, S.A. in the mentioned subsidiary Acresa Cardellach S.L. holding directly the 94,57% of shares and indirectly the same percentage on Montoy S.L.

## Zardoya Otis, S.A.

In June, 2014 Zardoya Otis, S.A. acquired 3.66% of the non-controlling interest of the company Puertas Automáticas Portis S.L., for an amount of Eths 1.432, this transaction represents a change in the Zardoya Otis S.A. participation that increases to 93.83% ownership of such company.

In September 2014, Zardoya Otis, S.A. has acquired 90% of the share capital of Electromecánica Hemen Elevadores, S.L. and 100% de Ascensores Hemen, S.L., both companies dedicated to the maintenance and repair of elevators in the provinces of Álava, Guipúzcoa, Burgos and Navarra. The total cost of the business combination has been determined provisionally in EThs 9 888

The Group has adopted in 2014 retrospectively the modified IAS 19. Its effect is the elimination of the corridor approach and the recognition of actuarial losses and gains when they arise; therefore, net equity as of November 30, 2013 increases by Eths 11.823 corresponding to the initial recognition of the actuarial gains as mentioned of Eths 12.884, and the effect of the recognition of the actuarial gains and retained generated in the fiscal year 2013 for Eths 1.061 and a reduction in profit of the year for an amount of EThs 6.205.

The enforcement of Law 27/2014 on Corporate Income Tax requires the re-estimate of the figures registered by the Group with an impact of a reduction in deferred tax assets of EThs 3 907 and a reduction of deferred tax liabilities of EThs 5 157.

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

### **8.**

On December 10, 2014 Zardoya Otis, S.A declared the third dividend corresponding to 2014, third on account of the fiscal year profit, for an amount of 0.085 Euros gross per share, resulting in a total dividend gross of EThs. 36.972 (Note 8). Payment of the dividend was done on January 12, 2015.

In December 2014 the subsidiary Puertas Automaticas Portis, S.L. acquired 1.06% of the non-controlling interest of its own shares for an amount of Eths 394. These own shares were amortized by means of a capital reduction at the same date. The transaction represents a change in the Zardoya Otis S.A. participation that increases from 93.83% to 94.83% ownership of such company.

In January 2015, Zardoya Otis, S.A. was informed of the conclusion of the syndication agreement concluded in the frame of the Enor transaction between the two major shareholders of the company: United Technologies Holdings, S.A.S. and Euro Syns, S.A. on August 3, 2012. The syndication agreement should end on the date in which UTC owns shares representing 50.01% or more of the share capital of the company, which has been notified on 12 January 2015 by UTH to the “Comision Nacional del Mercado de Valores” by means of the corresponding communication of significant participation.