



ZARDOYA OTIS, S.A

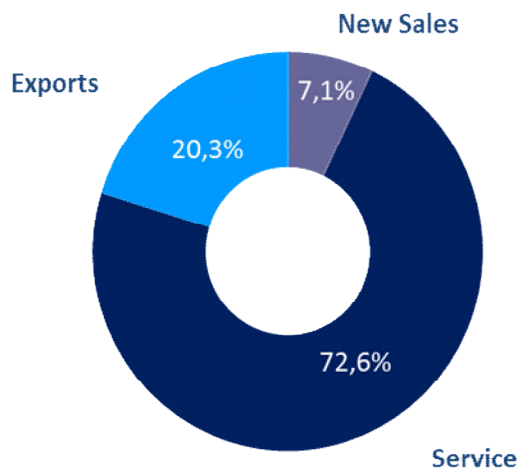
QUARTERLY REPORT FOR THE FIRST QUARTER 2018

REPORTING PERIOD: DECEMBER 1, 2017 – NOVEMBER 30, 2018

1. BUSINESS EVOLUTION

SALES:

Sales by activity



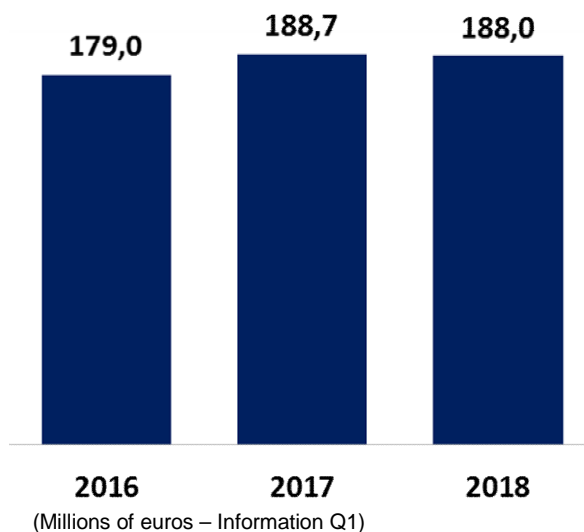
Total consolidated sales for the first quarter of 2018 were 188.0 million euros, in comparison with the 188.7 million euros of the first quarter of 2017, representing a slight decrease of 0.4%.

New Installations

Work completed: the value of work completed in the first quarter of 2018 was 13.3 million euros, 25.2% higher than the work completed in the first quarter of 2017

In the first quarter of 2018, New Installation sales accounted for 7.1% of total sales (5.6% in the first quarter of 2017).

Total Sales



Service

Consolidated Service sales totalled 136.5 million euros, showing a 0.8% increase on the figure obtained in the first quarter of 2017.

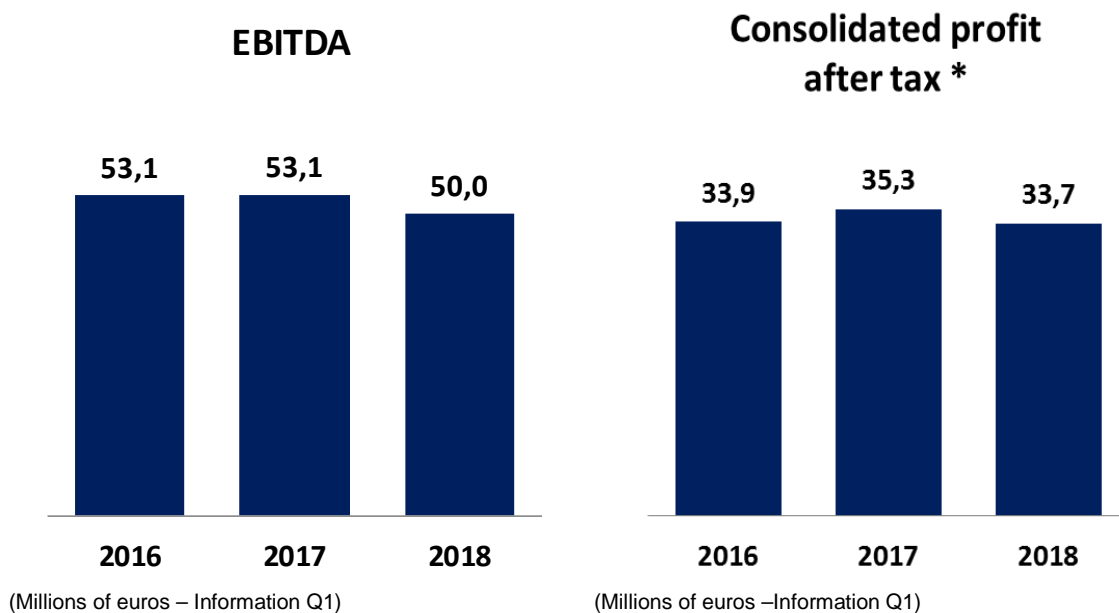
The Service activity accounted for 72.6% of the Group's total billing in the first quarter of 2018 (71.8% in 2017).

In the first quarter of the reporting period, Service activity showed an improvement and a change in trend in comparison with its evolution in previous years was noted.

Exports: net consolidated Export sales were 38.1 million euros, 10.6% down on the figure for the first quarter of 2017.

Exports represented 20.3% of Group consolidated sales in the first quarter of 2018 (22.6% in the first quarter of 2017).

INFORMATION ON RESULTS:



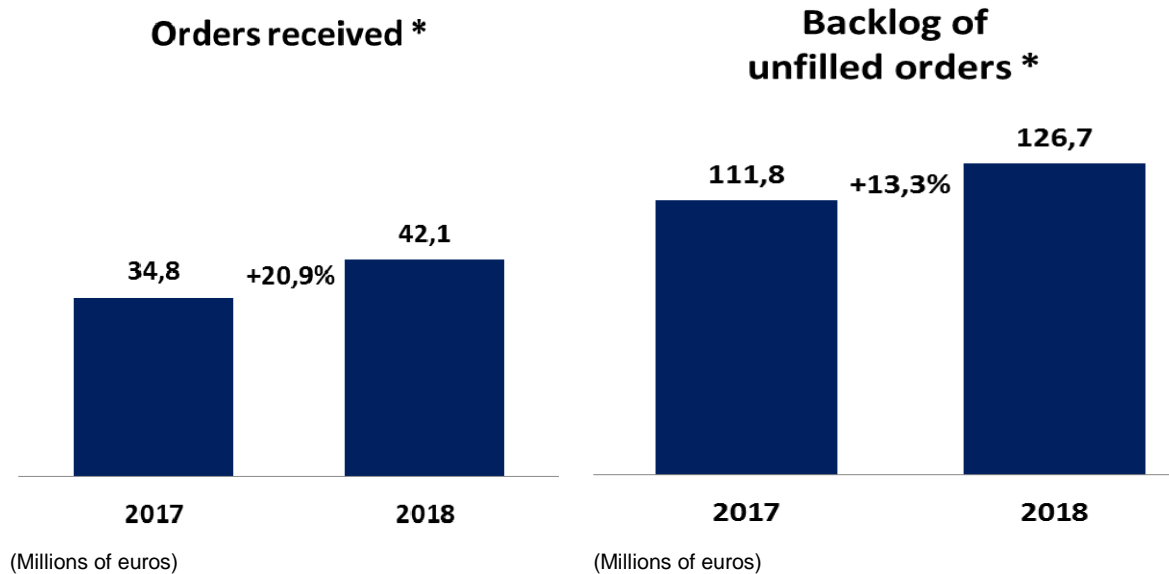
EBITDA (operating profit plus amortization and depreciation) for the first quarter of 2018 was 50.0 million euros, which was 5.9% lower than 2017 figure.

Profit before tax was 33.7 million euros, a decrease of 4.7% on the 35.3 million euros obtained in the same period of 2017.

The comparison with the first quarter of 2017 is unfavourable, due to a drop in export activity and expenses and investment related to the digitalization process. In the second half of 2017, the Group commenced a digitalization plan. The figures for the first quarter of 2018 include expenses related to this process.

* Consolidated profit before tax on the continuing activities in the period attributable to Company shareholders in the first quarter of each reporting period.

2. OTHER KEY FIGURES:



Orders received and backlog of unfilled orders

Orders received for Installations in the first quarter, including both new and existing buildings were 42.1 million euros, representing an increase on 20.9% on the same period of 2017, thus consolidating the upward trend that was first noted in 2016.

The backlog of unfilled orders in the first quarter of 2018 was 126.7 million euros, showing an increase of 13.3% on the same period of 2017.

Units under maintenance

We ended the first quarter of 2018 with 285,981 units under maintenance, which represents growth of 0.6% in comparison with the units under maintenance at the end of the first quarter of 2017. In the second half of 2018, we hope the growth of New Installations activities that began in previous years will be reflected in the maintenance portfolio.

3. DIVIDENDS

On March 21, 2018, Zardoya Otis, S.A. declared the first interim dividend charged to the profit for 2018, which will be paid on April 10, 2018 for a gross amount of 0.080 euros per share. The resulting total amount is EThs 37,637.

* Includes New Sales and Modernization figures.

4. TREASURY SHARES

As of February 28, 2018, Zardoya Otis, S.A. did not hold any treasury shares.

5. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2017 AND EVENTS SINCE THE END OF THE PERIOD

On December 12, 2017, Zardoya Otis, S.A. declared the third interim dividend to be charged to the 2018 profit for a gross amount of 0.080 euros per share. The resulting amount was a total gross dividend of EThs 37 637, which was paid on January 10, 2018.

6. EXHIBIT – KEY FIGURES:

At the end of the first quarter of 2018 (December 1, 2017 – February 28, 2018), the total consolidated figures and the comparison thereof with those for the same period of 2017 were as follows:

Key Data, 1st Quarter 2018			
<i>Consolidated figures in millions of euros</i>			
Results	2018	2017	% variance 18/17
Profit before tax	50,0	53,1	(5,9)
Profit before tax	45,2	48,3	(6,5)
Profit after tax	33,7	35,3	(4,7)

Sales	2018	2017	% variance 18/17
New Installations	13,3	10,6	25,2
Service	136,5	135,4	0,8
Exports	38,1	42,6	(10,6)
Total	188,0	188,7	(0,4)

Orders received and backlog	2018	2017	% variance 18/17
Orders received	42,1	34,8	20,9
Backlog	126,7	111,8	13,3

Units under maintenance	2018	2017	% variance 18/17
Units under maintenance	285.981	284.234	0,6

(*) Includes New Installations and Modernizations

