



INNOVATIVE ICONIC LANDMARKS

A city of skyscrapers, Chicago has long been defined by Willis Tower. Otis, the company that invented the modern elevator and sets the industry standard, has been selected to modernize elevators in this landmark building.

OTIS

67,396
EMPLOYEES

\$11.9B
NET SALES

\$2.2B*
ADJUSTED
OPERATING PROFIT

Otis is the world's leading manufacturer and maintainer of people-moving products, including elevators, escalators and moving walkways. Otis offers products and services in approximately 200 countries and territories, and maintains more than 1.9 million elevators and escalators worldwide.

Otis can be found in many of the world's most iconic buildings. In 2016 Otis was selected to modernize elevators in Chicago's Willis Tower, the tallest building in the United States by highest occupied floor.

Demonstrating its commitment to innovation, Otis increased its investment in research and development by 25 percent in 2016 and plans to double it over the next few years. The resources are directed at developing transformational technologies that deliver greater energy efficiency, enhanced service, and increased comfort, convenience and connectivity for passengers. As part of this effort Otis China will build a new engineering research center in Shanghai to develop new products and service technologies for the large China segment and other global markets. The center will include one of the world's tallest above-ground test towers.

Otis is working on new digital tools and technologies that will transform its elevator service network and enable greater connectivity with customers. In 2016 Otis began equipping its 31,000 mechanics with sophisticated digital tools and applications that will use big data

to drive condition-based monitoring and maintenance. Otis and UTC Climate, Controls & Security are exploring other opportunities to develop digital solutions for integrated, smart building equipment.

During the year Otis unveiled its new intelligent, connected elevator, the Gen2 Life. Based upon its proprietary Gen2 technology, the Gen2 Life offers higher energy efficiency, optimizes space requirements and enables greater connectivity for building owners and users. It also offers customers new interior design packages with more than 400,000 options.

Otis achieved a number of milestones in 2016, including the installation of the world's longest rise double-deck elevator in South Korea's Lotte World Tower, the country's tallest building. The elevator can carry 54 passengers from the ground to an observation deck on the 121st floor in one minute. Otis also marked the sale of its 500,000th Gen2 elevator during the year, one of its most energy-efficient and best-selling elevators. Otis continued to be awarded contracts for major projects in China and India where the building market is especially large.

*Adjusted operating profit is a non-GAAP financial measure. For additional information regarding the use of this measure, the corresponding amount prepared in accordance with generally accepted accounting principles (GAAP) and a reconciliation of the differences between the non-GAAP and GAAP measure, please refer to page 71 in this Annual Report.