

Business review 2008

February 23, 2009

President & CEO, Matti Alahuhta

Strong profitable growth continued in 2008



		2008	2007	Historical change	Comparable change
Orders received	MEUR	3,947.5	3,674.7	7%	12%
Order book	MEUR	3,576.7	3,282.3	9%	13%
Sales	MEUR	4,602.8	4,078.9	13%	17%
Operating income	MEUR	558.4	473.2 ¹⁾		
Operating income	%	12.1	11.6 ¹⁾		
Cash flow from operations (before financial items and taxes)	MEUR	527.4	380.0		

1) Excluding an expense of EUR 142.0 million relating to the European Commission's fine decision, a EUR 22.5 million provision for the Austrian Cartel Court's fine decision and a EUR 12.1 million profit from the sale of the KONE Building

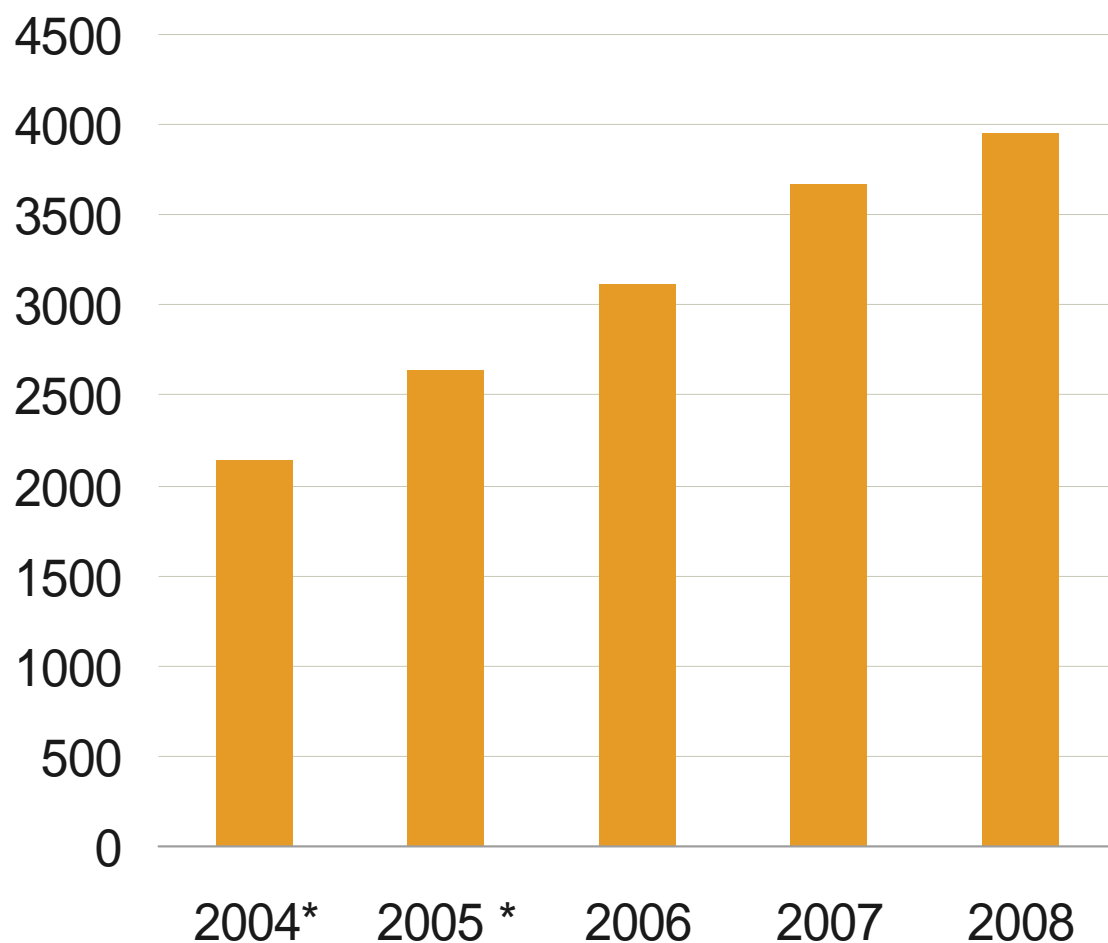
* Official closing currency rates

New equipment market growth slowed down during 2008



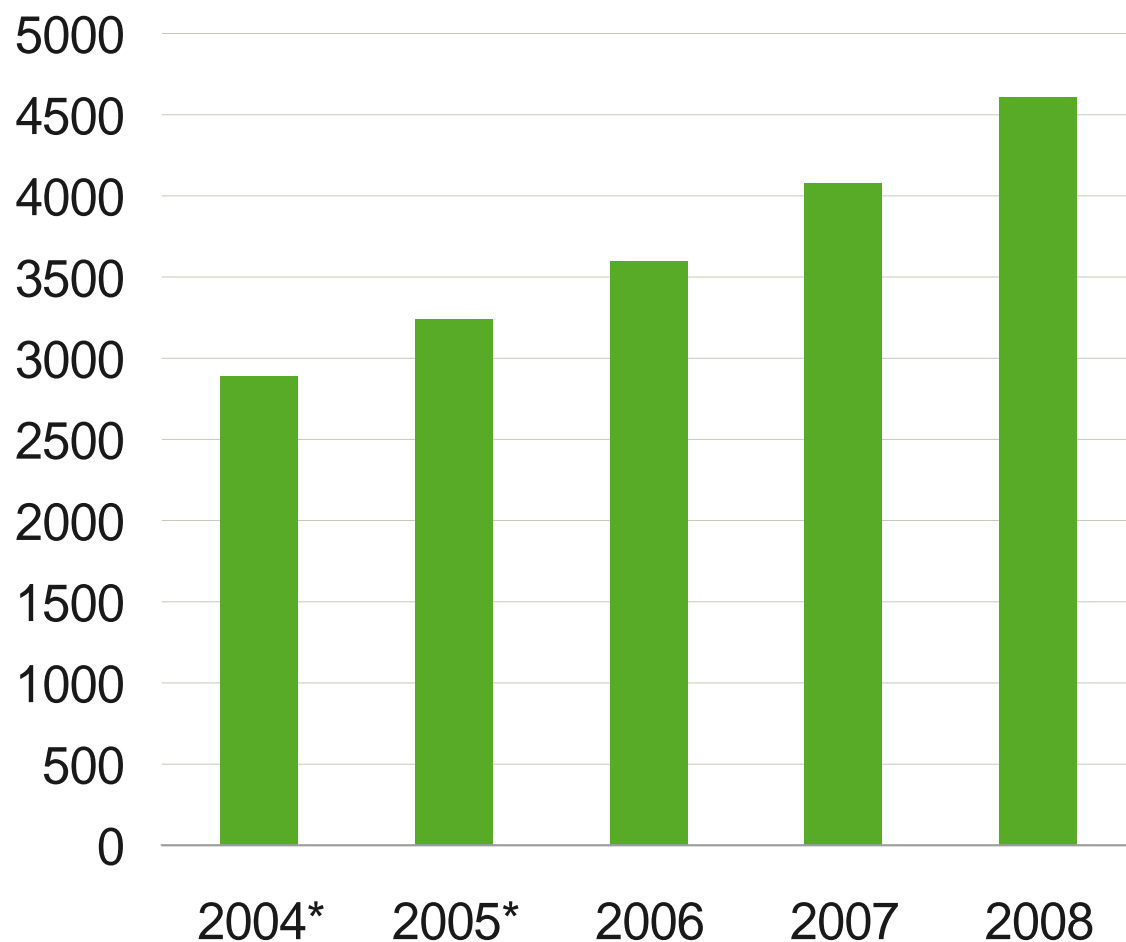
- **New equipment market**
 - In Asia-Pacific strong growth in 1H, growth slowed down in 2H
 - In America market decline expanded to all segments
 - In Europe growth slowed down in Q4.
- **Service market**
 - Modernization growth slower in 4Q
 - Maintenance growth continued to be good

Orders received growth continued to be fastest in Asia-Pacific in 2008



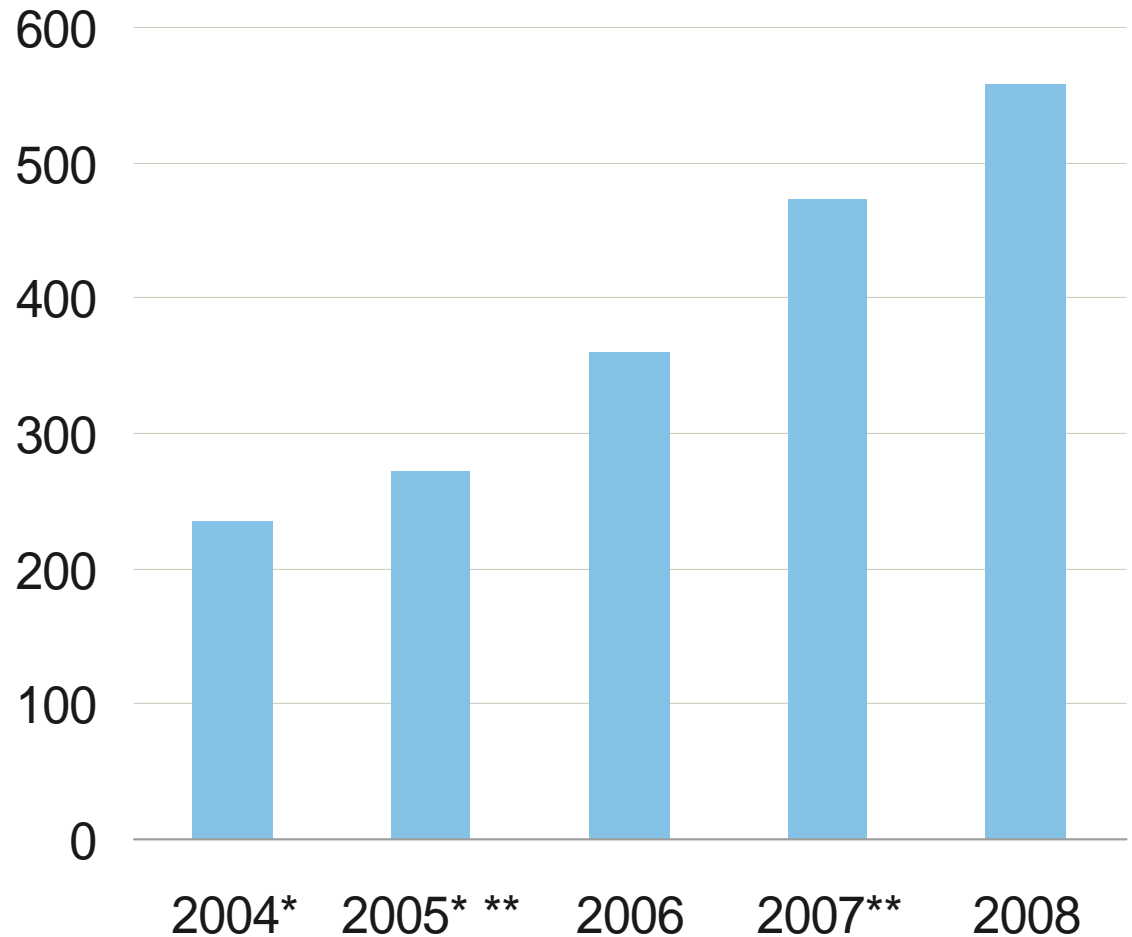
* proforma

Sales growth continued to be fastest in Asia-Pacific in 2008



* proforma

Operating income (EBIT) growth continued to be driven by sales and productivity growth



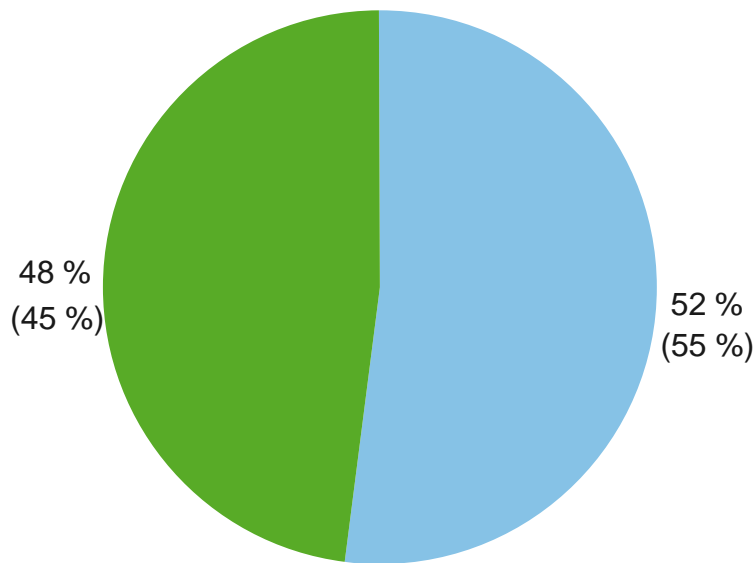
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**excluding one time charges

Strong growth continued in new equipment, but progress also in modernization and maintenance was good

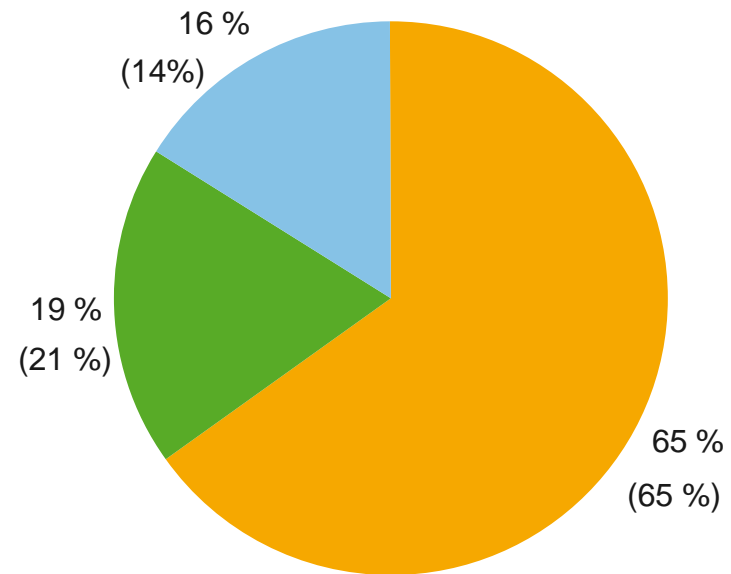


Sales by business



■ Service ■ New equipment

Sales by market



■ EMEA ■ Americas ■ Asia-Pacific

Development programs continued to improve KONE's competitiveness



1. Customer Focus
2. People Flow Solutions
3. Operational Excellence
4. Environmental Excellence
5. People Leadership

Awarded design releases



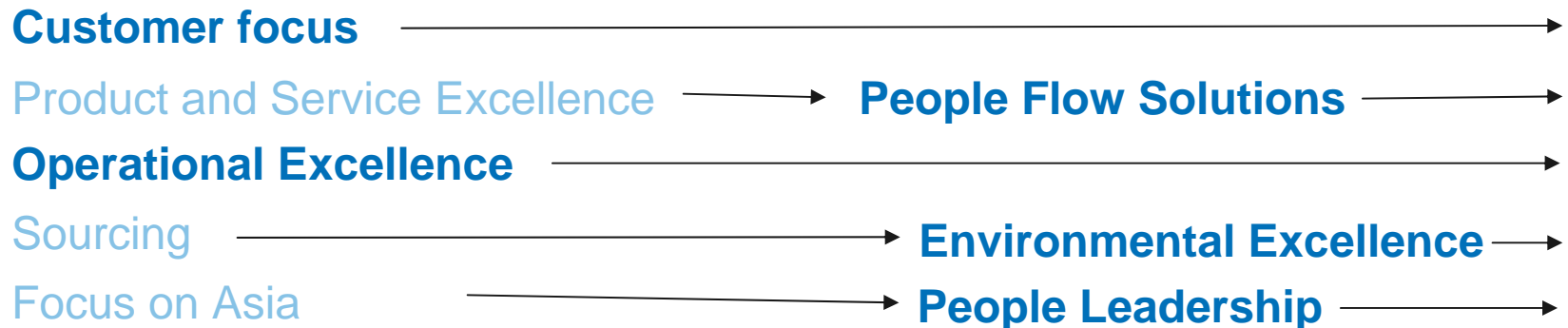
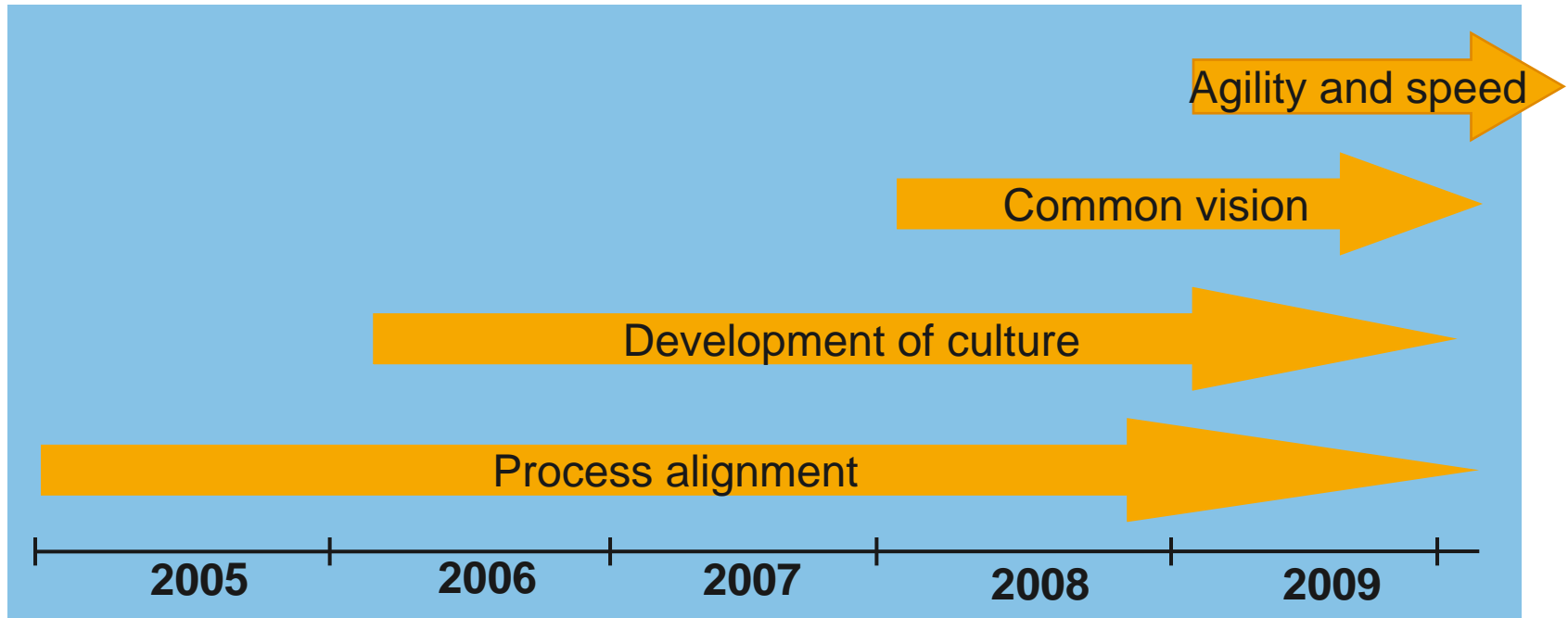
- New KONE design offering created to enhance end-user experience
 - Extensive customization options
- Highlights
 - Innovative car operating panel design
 - Eco-efficient lighting
 - Nature Inspired Design option with eco-efficient materials
- 2008 Good Design Award
 - Given by The Chicago Athenaeum and The European Centre for Architecture Art Design and Urban Studies

Eco-efficient elevators launched



- KONE announced that by 2010, it will reduce the energy consumption of its elevators by 50%
- A new elevator offering launched in Europe, using 30% less energy compared to previous models
- Energy savings achieved through:
 - Efficient hoisting solutions
 - Energy regeneration
 - Reduction of standby energy consumption
 - Energy-efficient lighting

We are actively developing our competitiveness





- The new equipment market will continue to decline because of the weakening global economy.
- Modernization will be less impacted.
- The maintenance market will continue to develop well.

KONE's objective is to take also this phase as an opportunity



- To continue to gain market share
and
- to put the company into a great shape
 - In quality
 - In maintenance and installation productivity
 - In working capital rotation
- All of this enabled by
 - Good, positive spirit
 - Continuous development of KONE's competitiveness

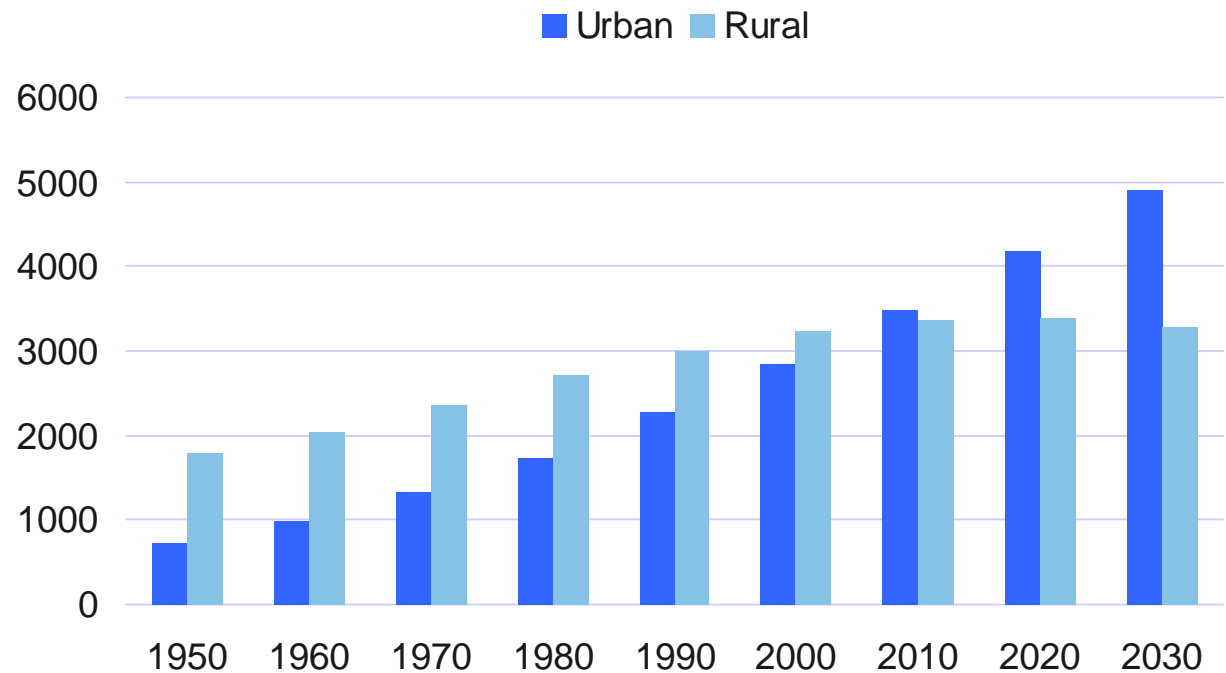


- In net sales, KONE's objective is to reach a growth of 5 percent or at least approximately the net sales level of 2008.
- In operating income (EBIT), the objective is to reach a growth of 5 percent or at least approximately the operating income level of 2008.

Megatrends will be a major growth driver for KONE



The urban and rural population of the world



Source: U.N. World Urbanisation Prospects 2007

Dedicated to People Flow™

