

A close-up photograph of a worker in a blue uniform, white hard hat, and safety glasses. The worker is wearing a white hard hat with the KONE logo and the name "LEDVEL" on the side. They are using a blue tool to adjust a metal rail on a structure. The background shows a large, light-colored structure, possibly part of a building or a large machine.

KONE

Interim Report for January-March 2009

April 23, 2009

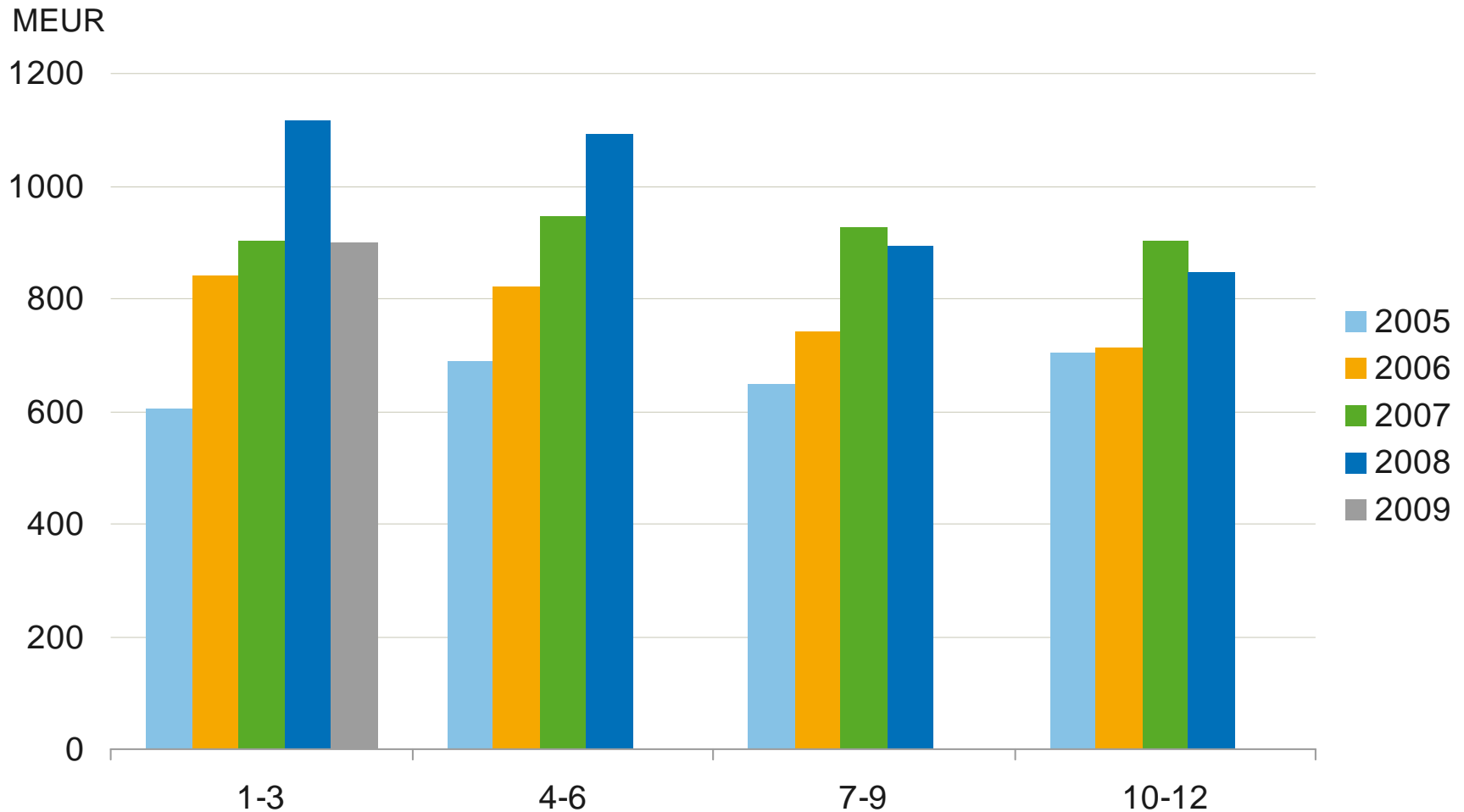
President & CEO, Matti Alahuhta

Q1 2009: Good growth in sales and EBIT

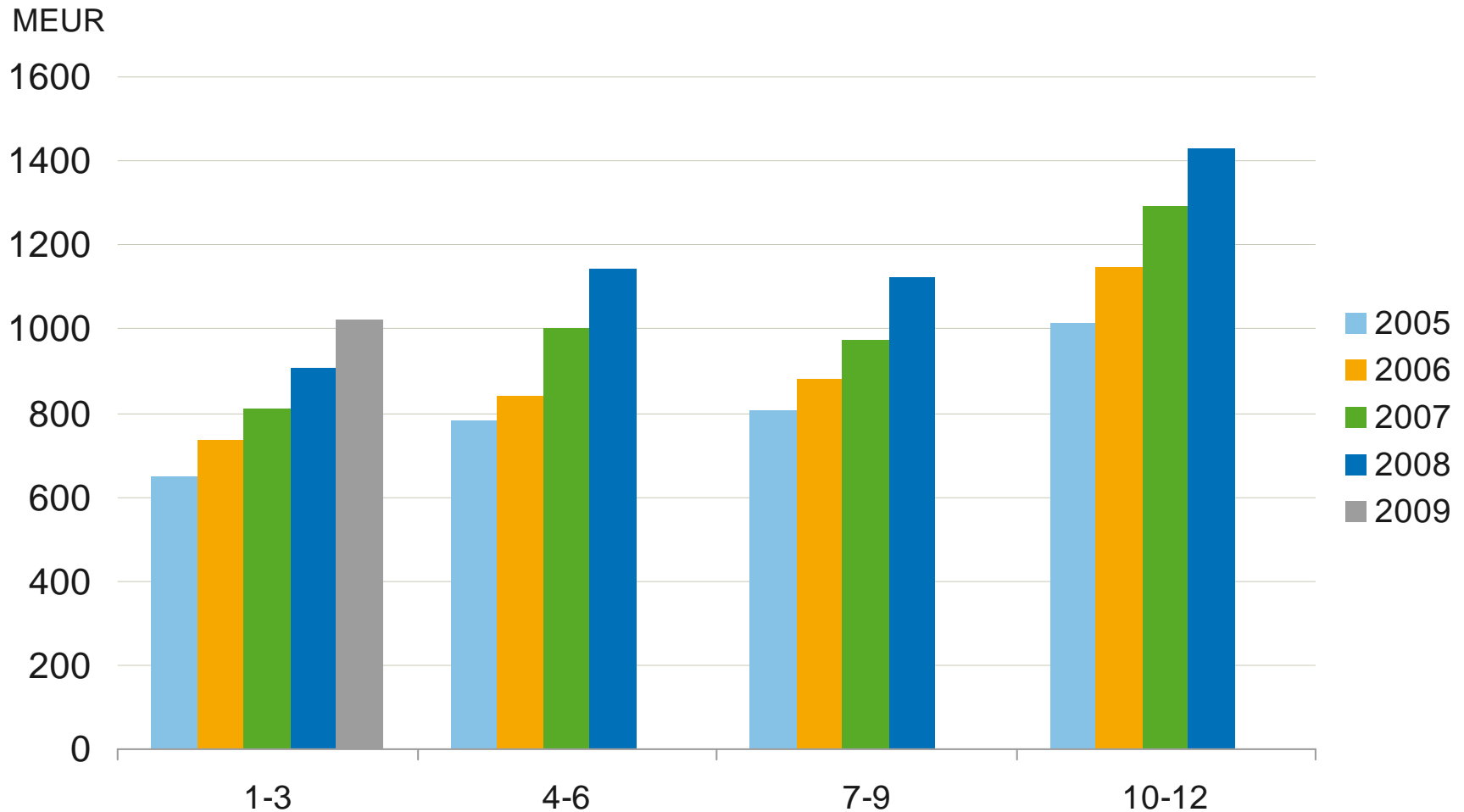


		Q1/2009	Q1/2008	Historical change	2008
Orders received	MEUR	898.5	1,117.5	-19.6%	3,947.5
Order book	MEUR	3,753.1	3,617.4	3.8%	3,576.7
Sales	MEUR	1,021.0	905.3	12.8%	4,602.8
Operating income	MEUR	91.2	86.5		558.4
Operating income	%	8.9	9.6		12.1
Cash flow from operations (before financial items and taxes)	MEUR	170.3	166.6		527.4

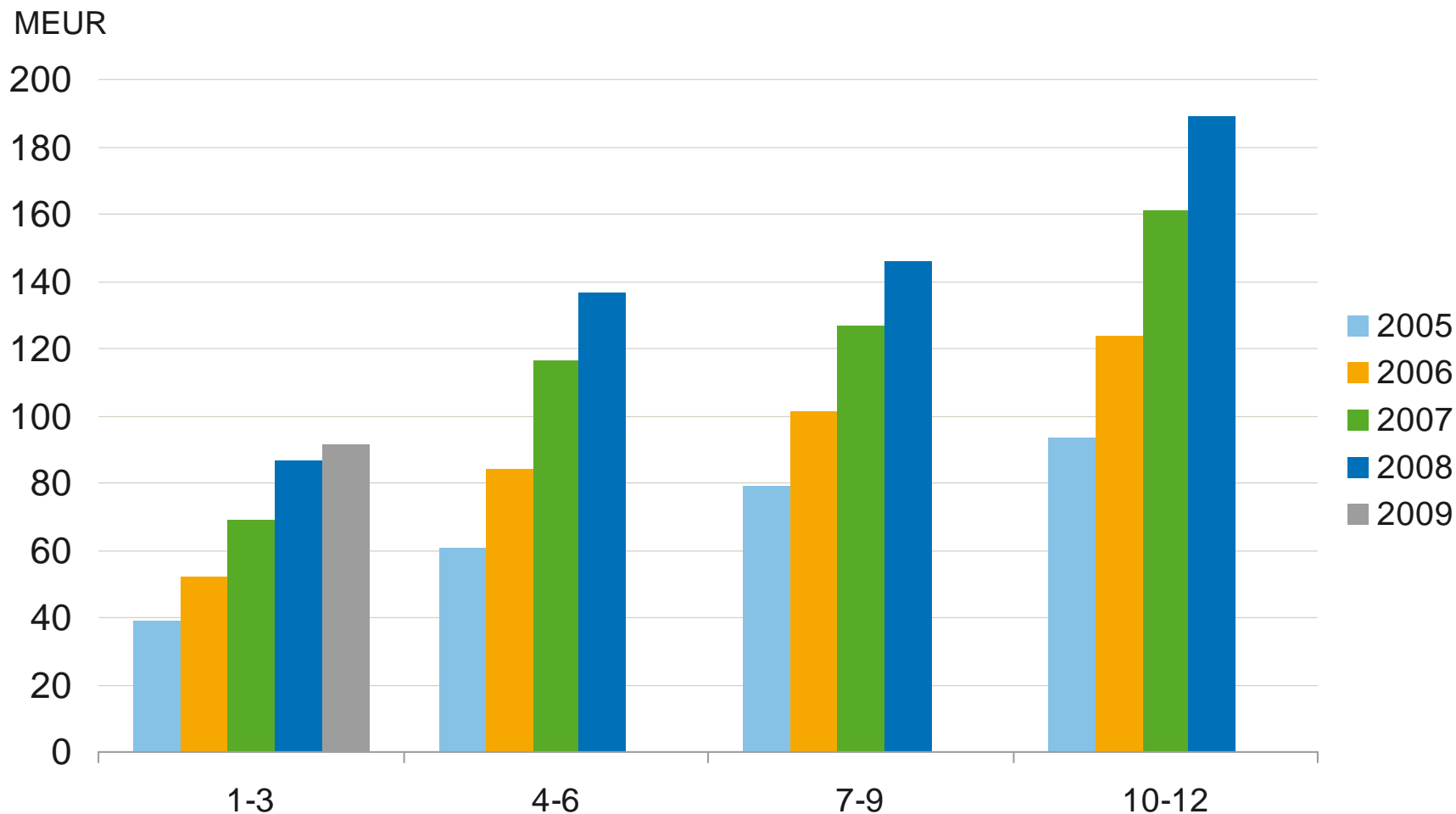
Q1 2009: Orders received was higher than in Q3 and Q4 2008



Q1 2009: Sales growth was good because implementation work in sites proceeded as planned



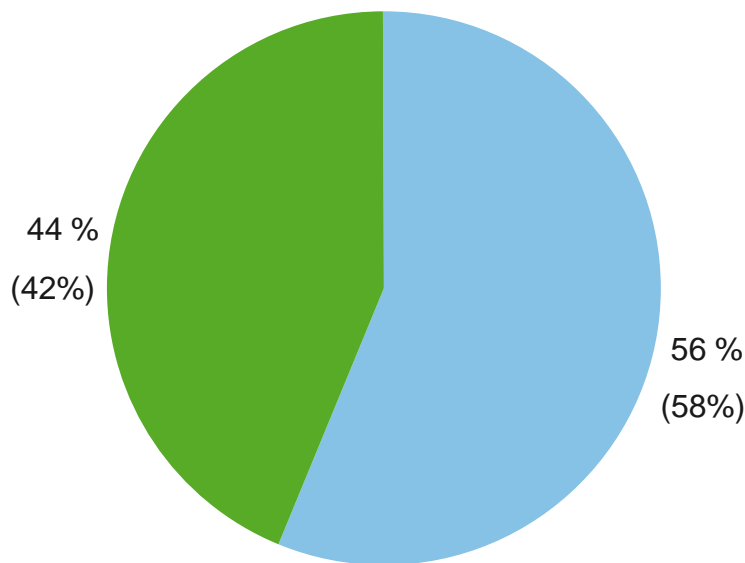
Q1 2009: EBIT growth was driven by sales and productivity growth, but suffered from high raw material costs



Q1 2009: Good growth in new equipment, and also service sales growth exceeded 10%

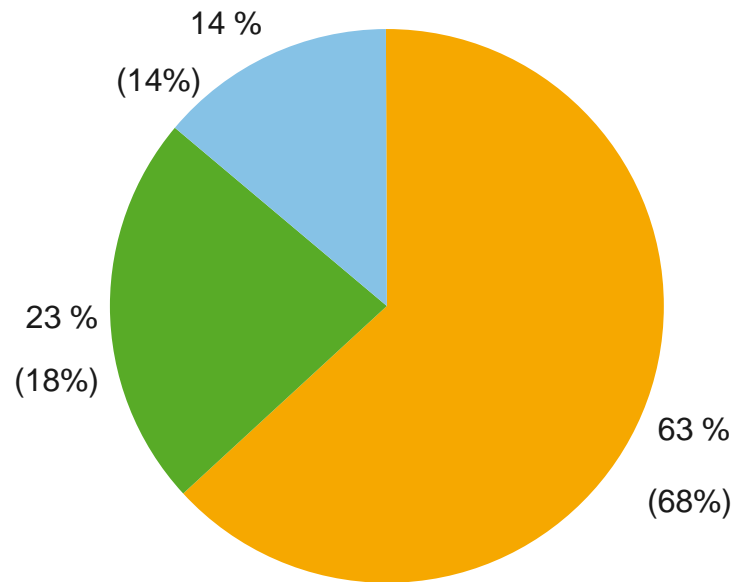


Sales by business



■ Service ■ New equipment

Sales by market



■ EMEA ■ Americas ■ Asia-Pacific

Q1 2009: In EMEA, new equipment markets continued to decline



- Maintenance markets have continued to develop well, but were very competitive.
- Modernization markets were somewhat negatively impacted.
- New equipment market declined clearly.
 - Worst development in Spain, UK, Ireland, Russia, Middle-East and the Nordic countries.
 - More favorable situation in Germany, Austria, France, Italy and Belgium.

Q1 2009: New equipment market continued to weaken in the Americas



- Maintenance markets continued to develop well, but were very competitive.
- Modernization markets were somewhat negatively impacted.
- New equipment market continued to decline.
 - Decreased in all sectors in the US, but the infrastructure segment was rather good.
 - The market in Canada was still at a rather good level.
 - The market in Mexico was weak.

Q1 2009: New equipment markets weakened also in Asia-Pacific



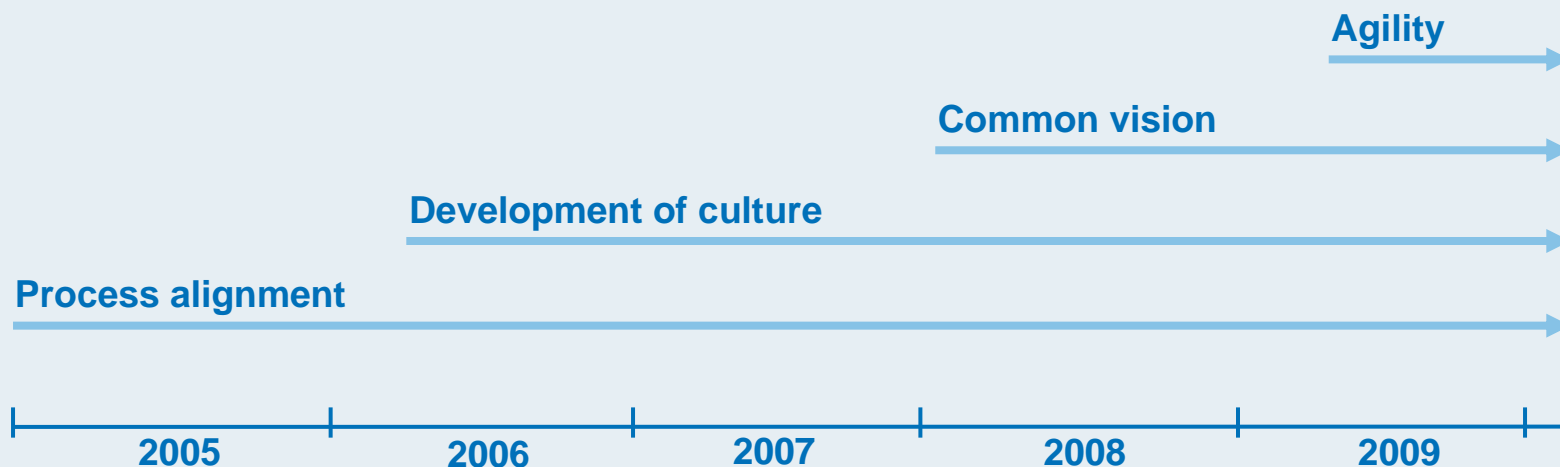
- Maintenance markets continued to develop favorably.
- In China, the new equipment market declined in the coastal area, but grew somewhat in the Central and Western parts.
- In India, the new equipment market was below last year's level.
- New equipment markets weakened clearly in Australia and South-East Asia.

Intensive work in development programs



- Customer Focus
- People Flow Solutions
- Operational Excellence
- Environmental Excellence
- People Leadership

As the next step, we are now working to make KONE more agile



Development Programs:





- Flatter structure
→ closer to customers
- Wider span of control
→ hands-on leadership
- More uniform structures
→ better internal collaboration
- Improve efficiency and speed

2009: KONE's objective is to also use this market phase as an opportunity



- To continue to gain market share and put the company into a great shape
 - In quality
 - In maintenance and installation productivity
 - In working capital rotation
- To continue the strong development of the service business
 - Maintenance
 - Modernization



- 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.



- 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.

Dedicated to People Flow™

