

The background of the entire page is a low-angle photograph of several modern skyscrapers with glass facades. The buildings are under construction, with cranes visible at their peaks. The sky is a deep blue with scattered white clouds. A bright sun is positioned in the upper right quadrant, creating a lens flare effect. The overall scene conveys a sense of modern architecture and active development.

KONE Interim Report for January–March 2011

April 20, 2011

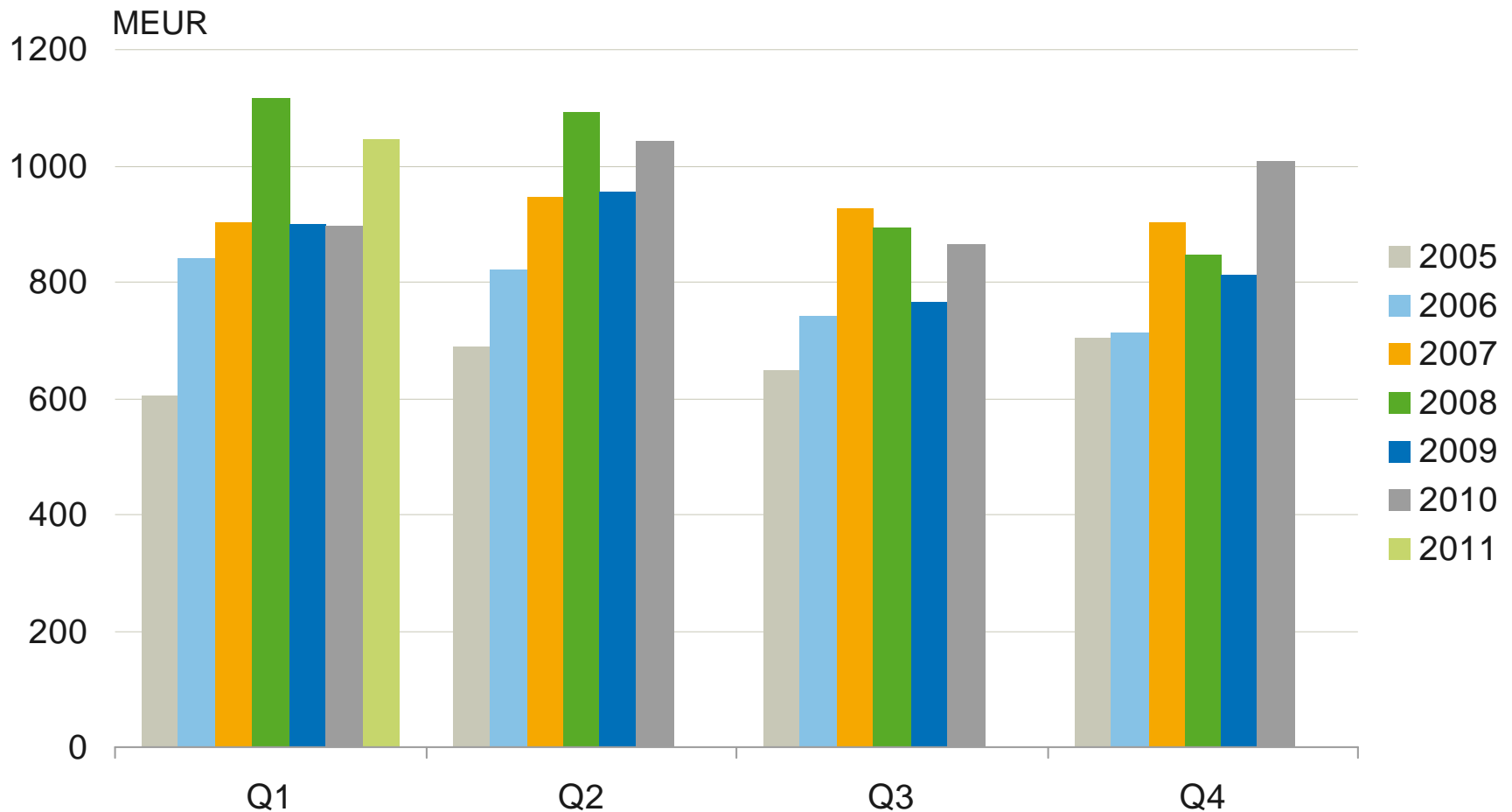
President & CEO, Matti Alahuhta

Q1 2011: Strong growth in orders received and in operating income

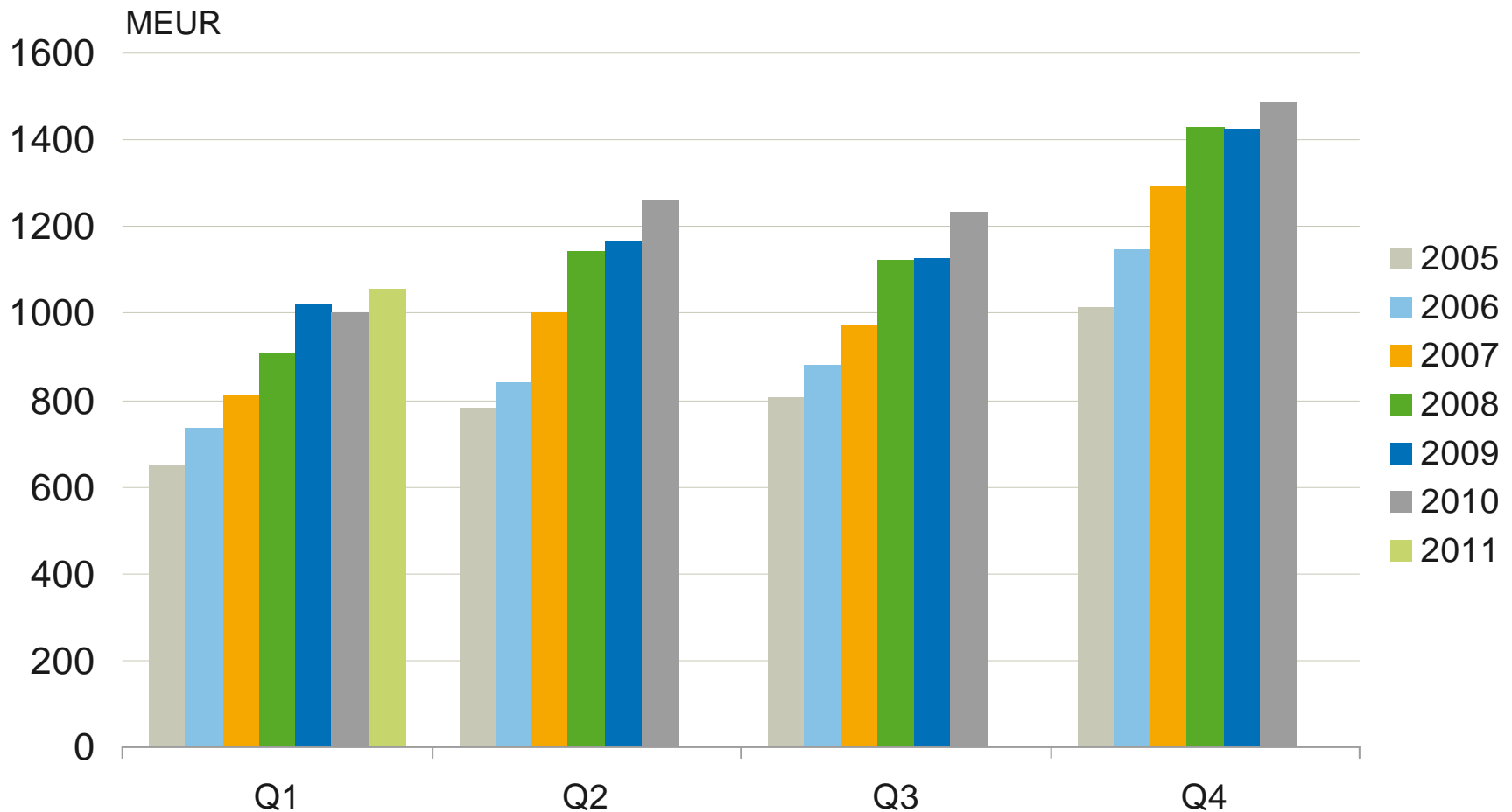


		Q1/2011	Q1/2010	Historical change	2010
Orders received	MEUR	1,044.7	894.7	16.8%	3,809.0
Order book	MEUR	3,737.5	3,638.5	2.7%	3,597.8
Sales	MEUR	1,053.8	1,003.0	5.1%	4,986.6
Operating income	MEUR	118.7	108.6	9.3%	696.4
Operating income	%	11.3	10.8		14.0
Cash flow from operations (before financial items and taxes)	MEUR	237.3	217.6		857.2

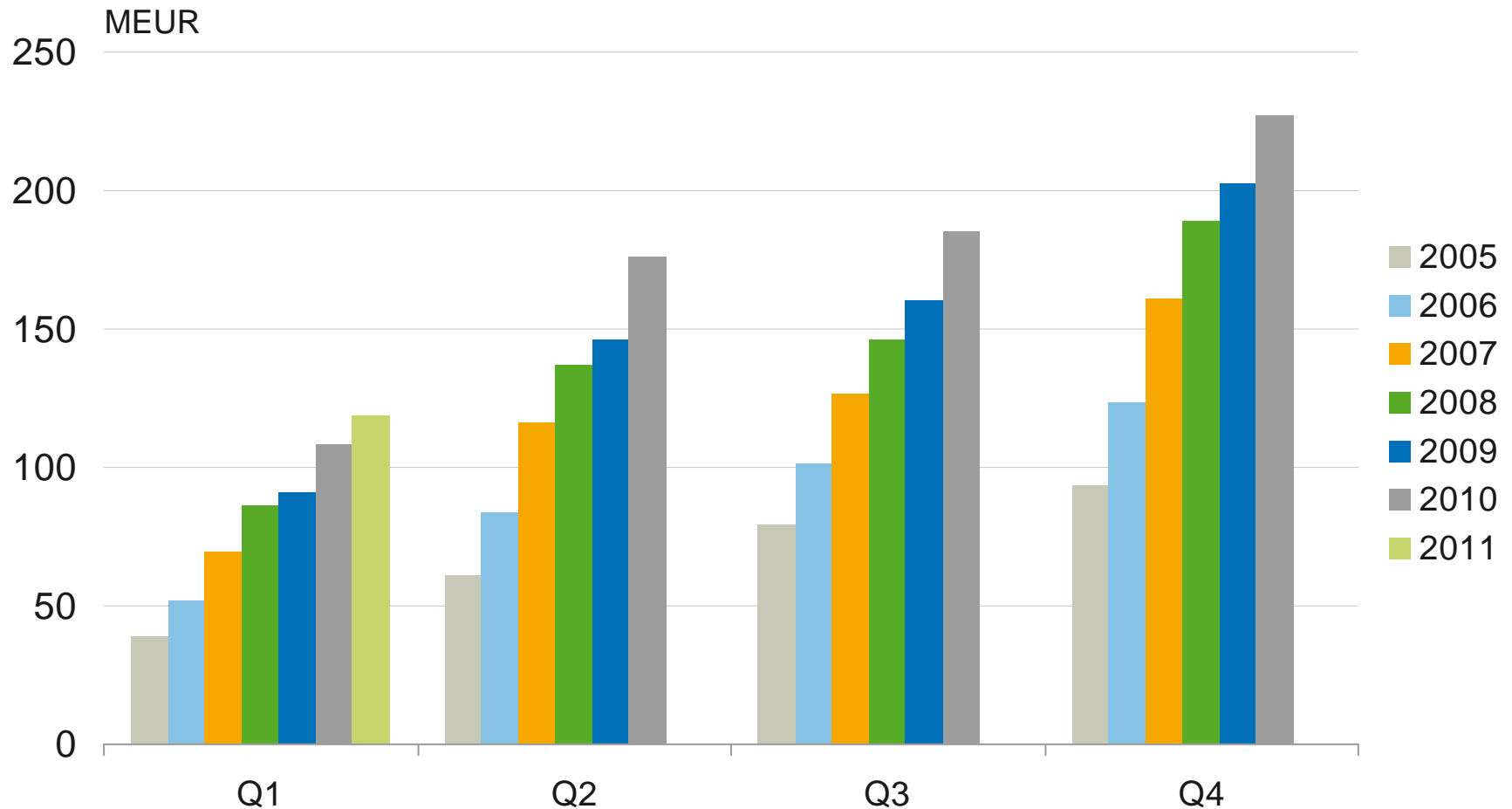
Q1 2011 Orders received: Strong performance in all regions – Asia-Pacific and the Americas in particular



Q1 2011 Sales: Growth driven by Asia-Pacific and the service business



Q1 2011 Operating income: Solid growth

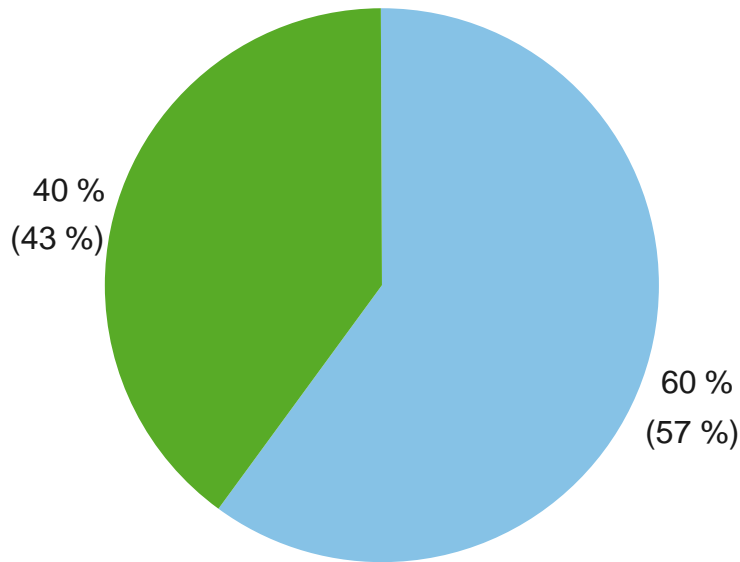


Note : Operating income excluding one-time items

Q1 2011: The share of Asia-Pacific continued to grow

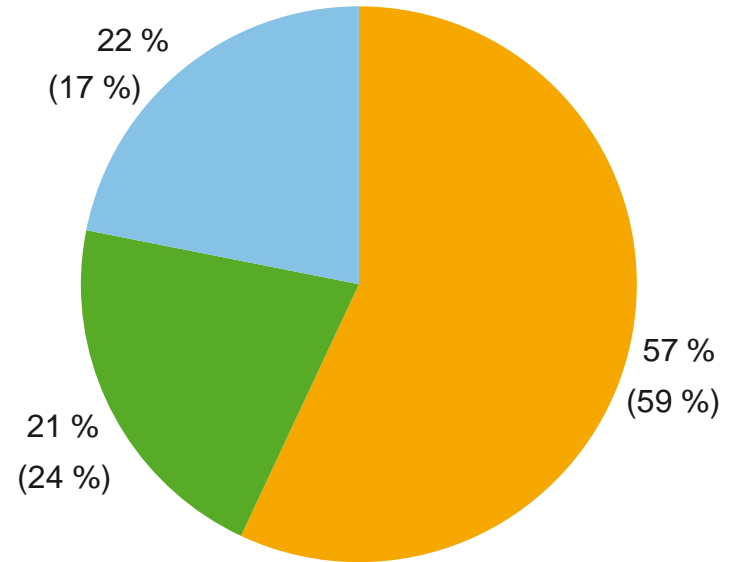


Sales by business



■ Service ■ New equipment

Sales by market



■ EMEA ■ Americas ■ Asia-Pacific

Q1 2011 EMEA: Most new equipment markets developed positively



- Maintenance markets developed well, but price competition remained strong.
- Modernization markets were quite stable with regional variations.
- New equipment markets
 - The residential segments grew in most markets including Germany, the UK, France, Belgium and the Nordic countries.
 - The non-residential segments grew slightly in Central and North European markets and remained stable at a low level in many South European markets.
 - Market activity in Russia increased clearly.
 - Markets in the Middle-East developed positively.

Q1 2011 Americas: New equipment markets continued to gradually recover



- Maintenance markets developed well, but remained competitive.
- Activity in the modernization market increased.
- New equipment markets
 - In the United States, the gradual recovery of other than infrastructure segment continued.
 - In Canada, the market remained active.
 - In Mexico, the market continued to recover.

Q1 2011 Asia-Pacific: Positive development in all markets



- Modernization and maintenance markets developed favorably.
- New equipment markets
 - In China, all segments grew and the growth was the fastest in the affordable housing segment.
 - In Southeast Asia, growth was primarily driven by the residential and hotel segments.
 - In India and Australia, the improvement in the availability of financing combined with the strong underlying demand resulted in an improved growth rate in both markets.

Our active work with our new Development Programs has had a good start



Customer Experience

Employee Engagement

Innovative Solutions
for People Flow™

Service Leadership

Delivery Chain Excellence



- The new equipment markets in Asia-Pacific are expected to continue to develop positively. The recovery of the new equipment markets in Central and North Europe is expected to continue in most countries, whereas most markets in South Europe are expected to be relatively stable at the current low level. The new equipment markets in North America are expected to recover modestly.
- The modernization markets are expected to be at about last year's level.
- The maintenance markets are expected to continue to develop well.

Outlook 2011 (unchanged)



- KONE's net sales is estimated to grow 0–5% at comparable exchange rates as compared to 2010.
- The operating income (EBIT) is expected to be in the range of EUR 700–750 million, assuming that translation exchange rates do not deviate materially from the situation of the beginning of 2011.



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