



# KONE Interim Report for January-March 2008

April 22, 2008

President & CEO, Matti Alahuhta

# Q1/08 Strong growth in orders received and operating income continued

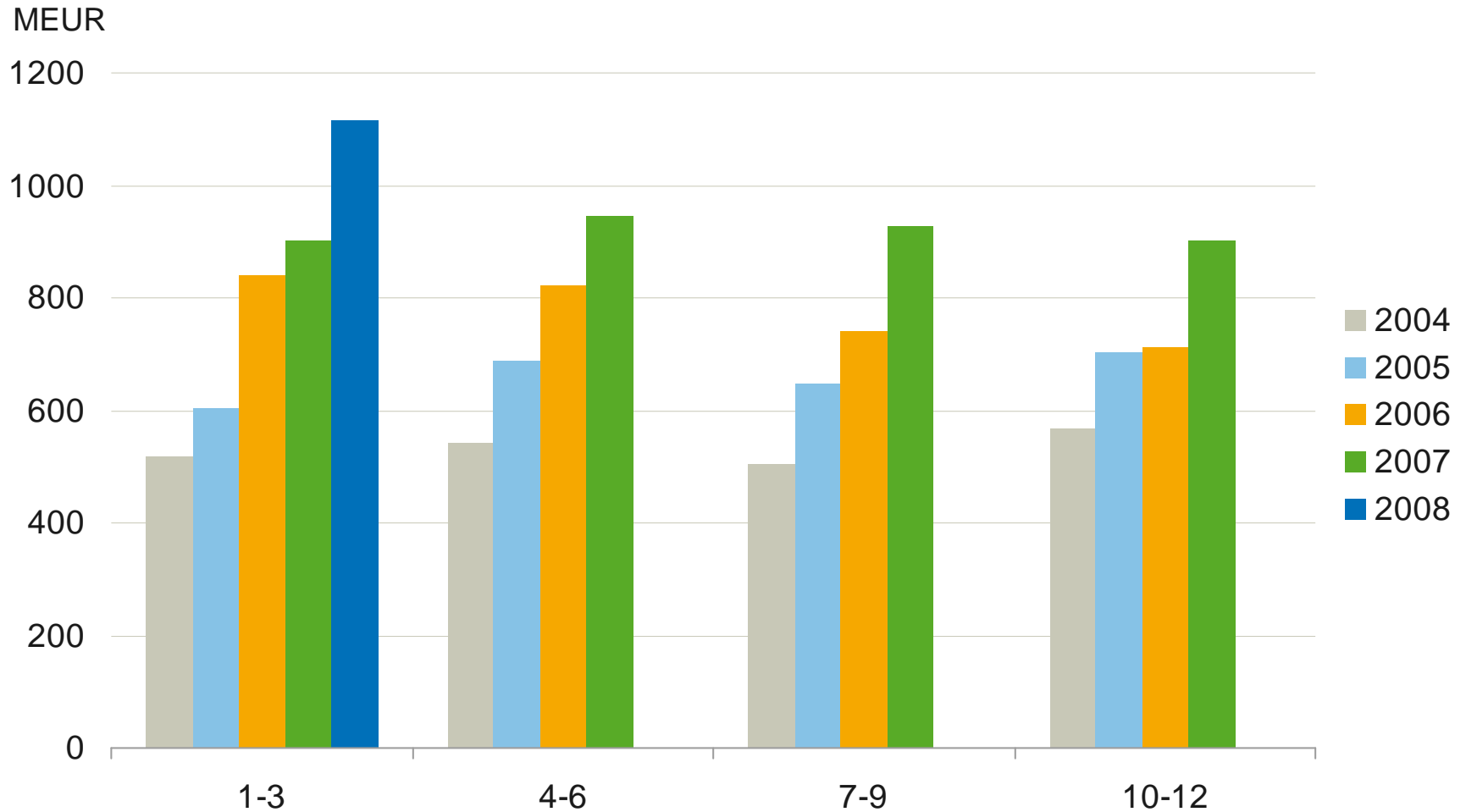
		1-3/2008	1-3/ 2007	Historical change	2007
Orders received	MEUR	1,117.5	902.1	24%	3,674.7
Order book	MEUR	3,617.4	3,105.7	16%	3,282.3
Sales	MEUR	905.3	811.2	12%	4,078.9
Operating income	MEUR	86.5	69.3 <sup>1)</sup>	25%	473.2 <sup>2)</sup>
Operating income	%	9.6	8.5 <sup>1)</sup>		11.6 <sup>2)</sup>
Cash flow from operations (before financial items and taxes)		166.6	142.7		380.0 <sup>3)</sup>

1) Excluding an expense of EUR 142.0 million related to the European Commission's fine decision

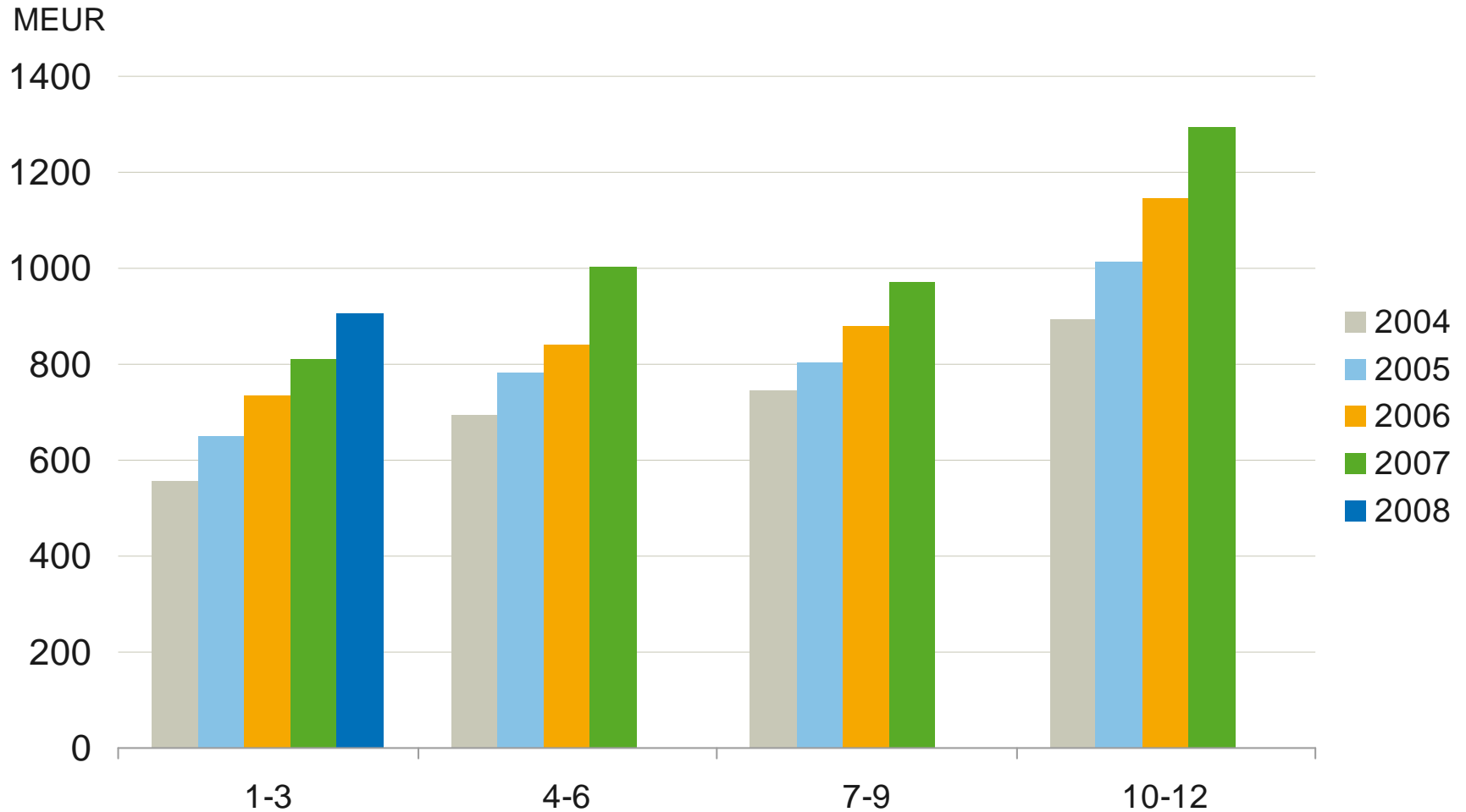
2) Excluding an expense of EUR 142.0 million relating to the European Commission's fine decision, a EUR 22.5 million provision for the Austrian Cartel Court's fine decision and a EUR 12.1 million profit from the sale of the KONE Building

3) Including the European Commission's fine

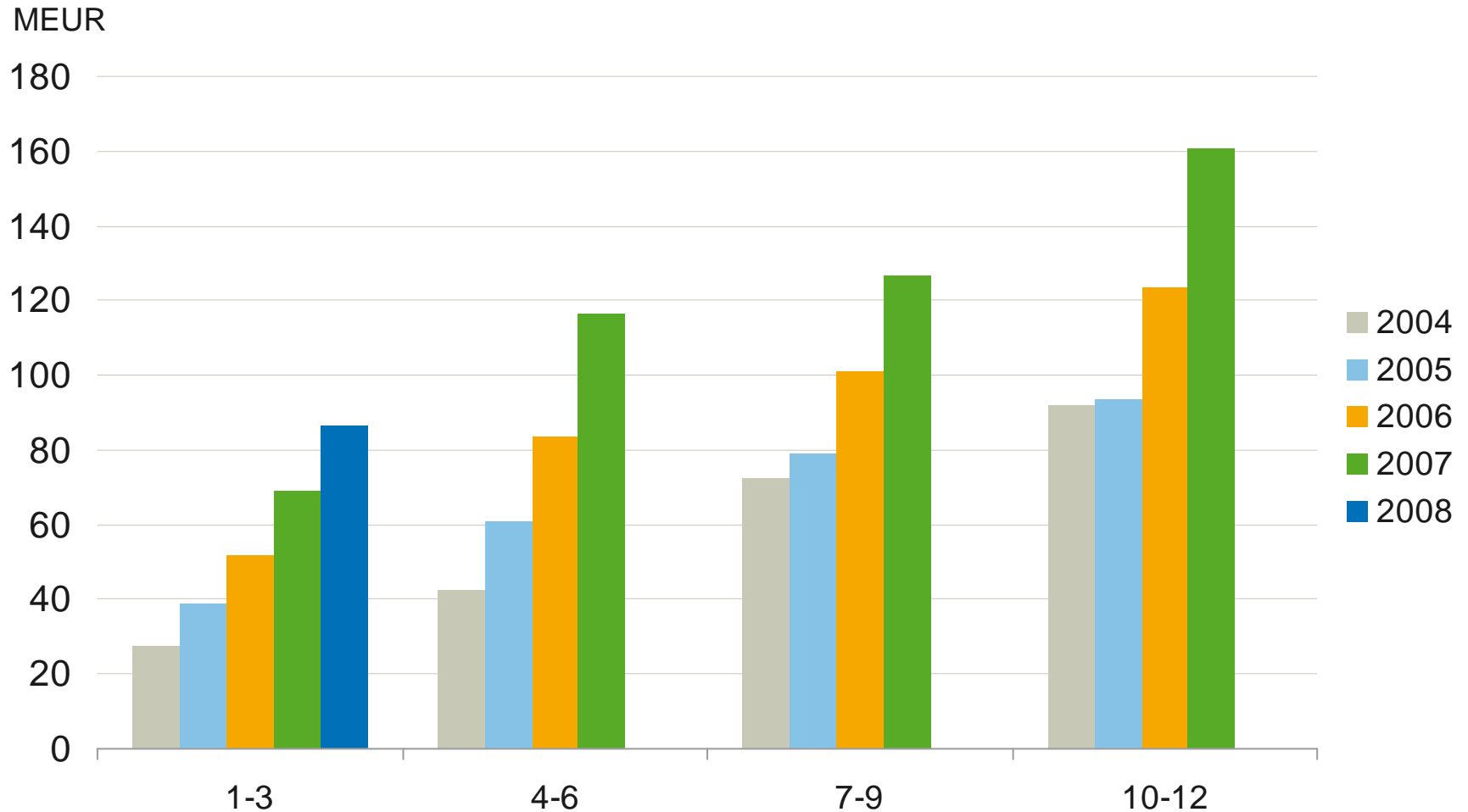
# Q1/08 Highest growth in orders received in Asia-Pacific



# Q1/08 Sales growth fastest in Asia-Pacific



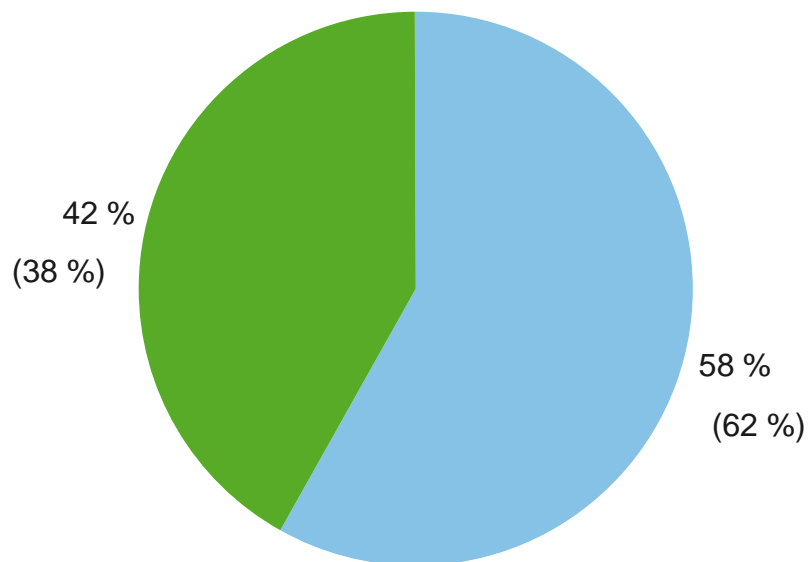
# Q1/08 EBIT growth continued to be driven by sales growth and productivity improvement



# Q1/08, Sales split, %

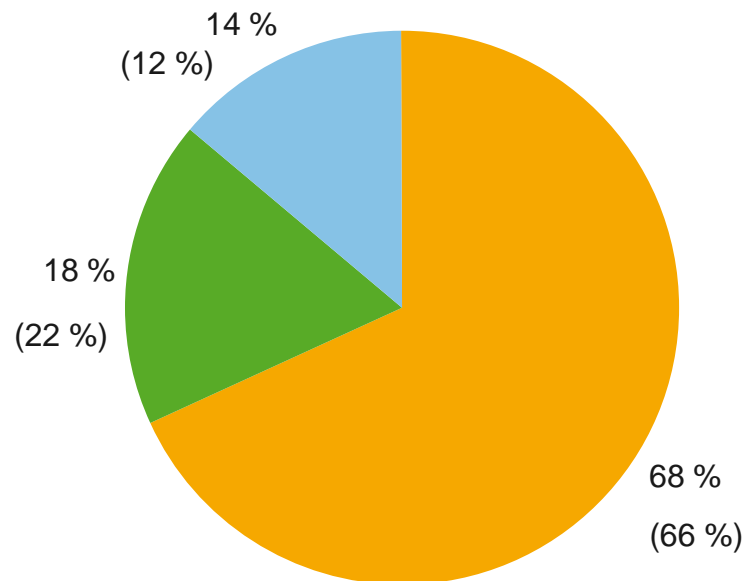


## Sales by business



■ Service ■ New equipment

## Sales by market



■ EMEA ■ Americas ■ Asia-Pacific



- New equipment market continued to provide opportunities for growth
  - Very fast market growth in the Middle East and Russia
  - Residential market was weaker in the UK, Italy and especially in Spain
  - Commercial market continued to be good
- In maintenance and modernization, market growth continued to be good but competition was increasingly intensive



- New equipment market
  - Continued weakness in the US residential market
  - Commercial segment continued to be good in coastal markets, some weakness in central markets
  - No change in Canada and Mexico
  
- In maintenance and modernization, markets continued to develop positively



- Very fast growth continued in China and India
- Positive market development with better growth opportunities in Southeast Asia
- Australian market started to flatten

# New development programs



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



- KONE's target for 2008 is to achieve, at comparable exchange rates, a growth of about 10 percent in net sales compared to 2007
- The operating income (EBIT) target is to achieve a growth close to 20 percent compared to the 2007 figure of EUR 473 million
- This corresponds to an operating income (EBIT) margin of at least 12.0 percent

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