

18 June, 2004

KONE IFRS Comparative Financial Statements January-June and January-September, 2003

KONE Corporation began reporting under the International Financial Reporting Standards (IFRS) as of 1 January, 2004. Prior to IFRS adoption, KONE Corporation reported under Finnish Accounting Standards (FAS).

The IFRS comparison figures for January-June and January-September, 2003 are presented in this press release. KONE published comparable book-closing information for January-March, 2003 and the whole 2003 calendar year on 8 April. Additional information about the changeover to IFRS standards can be found in the press release of 8 April, 2004 and in Note 23 of the Consolidated Financial Statement in the KONE Corporation Annual Report 2003.

Sender:

KONE Corporation

Aimo Rajahalme
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KONE is a global service and engineering company that specializes in moving people and goods. It comprises two divisions: KONE Elevators & Escalators and Kone Cargotec. KONE Elevators & Escalators sells, manufactures, installs, maintains and modernizes elevators and escalators, and services automatic building doors. Kone Cargotec supplies products and services to facilitate moving and loading cargo. KONE's B shares are listed on the Helsinki Exchanges.

www.konecorp.com

Kone Corporation

IFRS COMPARISON 1-6/2003 AND 1-12/2003

CONSOLIDATED STATEMENT OF INCOME

M€	IFRS		FAS		IFRS		FAS	
	1-6/2003	%	1-6/2003	%	1-12/2003	%	1-12/2003	%
Sales	2,561.4		2,503.6		5,410.4		5,344.4	
Costs and expenses	-2,324.6		-2,284.6		-4,890.2		-4,845.0	
Depreciation	-55.3		-41.4		-108.1		-80.9	
Sale of businesses	2.2		0.0		24.9		0.0	
Operating income before goodwill amortization	183.7	7.2	177.6	7.1	437.0	8.1	418.5	7.8
Goodwill amortization	0.0		-41.7		0.0		-89.1	
Operating income	183.7	7.2	135.9	5.4	437.0	8.1	329.4	6.2
Share of associated companies' income	1.9		1.4		6.7		4.9	
Financing income and expenses	-18.4		-15.7		-27.8		-27.3	
Income after financing items	167.2	6.5	121.6	4.9	415.9	7.7	307.0	5.7
Extraordinary items	0.0		0.0		0.0		21.6	
Income before taxes	167.2	6.5	121.6	4.9	415.9	7.7	328.6	6.1
Taxes	-47.4		-48.5		-113.2		-109.2	
Minority share	-1.0		-1.0		-2.5		-2.5	
Net income	118.8	4.6	72.1	2.9	300.2	5.5	216.9	4.1
Basic earnings per share, €	1.90		1.15		4.79		3.12	
Diluted earnings per share, €	1.89		1.15		4.77		3.10	

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CONSOLIDATED BALANCE SHEET

Assets	IFRS	FAS	IFRS	FAS
M€	30/6/2003	30/6/2003	31/12/2003	31/12/2003
Non-current assets				
Intangible assets	1,041.0	1,003.7	1,026.7	947.0
Tangible assets	470.8	399.9	468.5	401.4
Loans receivable and other non-current assets	213.0	0.0	211.1	0.0
Investments	199.8	210.0	197.0	209.0
Total	1,924.6	1,613.6	1,903.3	1,557.4
Current assets				
Inventories	576.9	569.3	482.4	458.0
Accounts receivable and other current assets	1,054.7	1,258.2	978.0	1,184.5
Cash and cash equivalents	435.1	435.1	407.0	417.0
Total	2,066.7	2,262.6	1,867.4	2,059.5
Total assets	3,991.3	3,876.2	3,770.7	3,616.9
Shareholders' equity and liabilities				
M€	IFRS	FAS	IFRS	FAS
	30/6/2003	30/6/2003	31/12/2003	31/12/2003
Equity	940.9	973.0	1,114.8	1,090.2
Minority shares	0.0	8.2	0.0	24.1
Long-term liabilities				
Loans	913.5	837.0	723.5	683.9
Deferred tax liabilities	30.5	29.5	25.5	24.5
Pension benefit liabilities and other liabilities	179.3	0.0	180.8	0.0
Total	1,123.3	866.5	929.8	708.4
Provisions	177.8	218.1	167.3	195.5
Current liabilities				
Loans	643.5	623.6	504.8	460.8
Accounts payable and other current liabilities	1,105.8	1,186.8	1,054.0	1,137.9
Total	1,749.3	1,810.4	1,558.8	1,598.7
Total shareholders' equity and liabilities	3,991.3	3,876.2	3,770.7	3,616.9

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CONSOLIDATED CASH FLOW

M€	IFRS 1-6/2003	FAS 1-6/2003	IFRS 1-12/2003	FAS 1-12/2003
Operating income before goodwill amortization				
KONE Elevators & Escalators	117.7	117.5	289.6	298.6
Kone Cargotec	43.0	39.6	76.7	74.9
Others	20.8	20.5	45.8	45.0
Sale of businesses	2.2	0.0	24.9	0.0
Total	183.7	177.6	437.0	418.5
Change in working capital				
KONE Elevators & Escalators	-16.3	-12.3	-14.9	-15.7
Kone Cargotec	-8.2	-8.3	24.9	15.4
Others	-5.9	-13.4	6.3	-0.4
Sale of businesses	-2.2	0.0	-24.9	0.0
Total	-32.6	-34.0	-8.6	-0.7
Depreciation				
KONE Elevators & Escalators	28.4	21.0	56.6	41.6
Kone Cargotec	18.2	12.6	34.4	24.0
Others	8.7	7.8	17.1	15.3
Total	55.3	41.4	108.1	80.9
Cash flow from operating activities before financial items and taxes				
KONE Elevators & Escalators	129.8	126.2	331.3	324.5
Kone Cargotec	53.0	43.9	136.0	114.3
Others	23.6	14.9	69.2	59.9
Total	206.4	185.0	536.5	498.7
Cash flow from financial items and taxes	-51.4	-48.7	-101.0	-99.1
Cash flow from investing activities				
Fixed assets ¹⁾	256.2	256.2	283.7	283.7
Leasing agreements	-1.8	0.0	-6.0	0.0
Customer financing	-10.6	0.0	-14.2	0.0
Total	243.8	256.2	263.5	283.7
Dividends paid	-93.7	-93.7	-93.7	-93.7
Change in net debt	305.1	298.8	605.3	589.6
Net debt in the beginning of period	1,251.5	1,251.5	1,251.5	1,251.5
Increase of net debt due to adopting IFRS	100.5		100.5	
Net debt in the end of period	1,046.9	952.7	746.7	661.9
Change in net debt	305.1	298.8	605.3	589.6

¹⁾ Includes sale of businesses

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KEY FIGURES

	IFRS	FAS	IFRS	FAS
	1-6/2003	1-6/2003	1-12/2003	1-12/2003
Basic earnings per share, €	1.90	1.15	4.79	3.12
Diluted earnings per share, €	1.89	1.15	4.77	3.10
Equity per share, €	14.9	15.1	17.8	17.0
Interest bearing net debt, M€	1,047	953	747	662
Total equity/total assets, %	23.6	24.5	29.6	30.3
Gearing, %	111	100	67	61

SEGMENT REPORTING

1. BUSINESS SEGMENTS

M€	IFRS		FAS		IFRS		FAS	
	1-6/2003	%	1-6/2003	%	1-12/2003	%	1-12/2003	%
Sales								
KONE Elevators & Escalators	1,285.1		1,237.8		2,856.0		2,814.1	
Kone Cargotec	688.2		673.7		1,364.4		1,334.8	
Others	588.1		592.1		1,190.0		1,195.5	
Total	2,561.4		2,503.6		5,410.4		5,344.4	

Operating income before goodwill amortization

KONE Elevators & Escalators	117.7	9.2	117.5	9.5	289.6	10.1	298.6	10.6
Kone Cargotec	43.0	6.2	39.6	5.9	76.7	5.6	74.9	5.6
Others	20.8		20.5		45.8		45.0	
Sale of businesses	2.2		0.0		24.9		0.0	
Total	183.7	7.2	177.6	7.1	437.0	8.1	418.5	7.8

M€	IFRS		FAS		IFRS		FAS	
	30/6/2003		30/6/2003		31/12/2003		31/12/2003	
Order book								
KONE Elevators & Escalators	1,839.0		1,950.9		1,639.6		1,746.1	
Kone Cargotec	431.8		363.2		473.6		424.7	
Others	161.7		158.0		83.0		83.0	
Total	2,432.5		2,472.1		2,196.2		2,253.8	

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2. GEOGRAPHICAL SEGMENTS

SALES

KONE Corporation M€	IFRS		FAS		IFRS		FAS	
	1-6/2003	%	1-6/2003	%	1-12/2003	%	1-12/2003	%
Europe	1,670.2	65	1,661.6	66	3,432.1	64	3,426.0	64
North America	531.3	21	490.5	20	1,147.4	21	1,108.2	21
Asia Pasific	220.9	9	212.5	8	509.2	9	488.5	9
Others	139.0	5	139.0	6	321.7	6	321.7	6
Total	2,561.4		2,503.6		5,410.4		5,344.4	

KONE Elevators & Escalators M€	IFRS		FAS		IFRS		FAS	
	1-6/2003	%	1-6/2003	%	1-12/2003	%	1-12/2003	%
Europe	853.0	67	840.5	68	1,850.1	65	1,833.5	65
North America	301.2	23	274.8	22	681.7	24	677.1	24
Asia Pasific	128.0	10	119.6	10	315.3	11	294.6	11
Others	2.9	0	2.9	0	8.9	0	8.9	0
Total	1,285.1		1,237.8		2,856.0		2,814.1	

Kone Cargotec M€	IFRS		FAS		IFRS		FAS	
	1-6/2003	%	1-6/2003	%	1-12/2003	%	1-12/2003	%
Europe	381.1	55	381.0	56	732.4	54	737.4	55
North America	193.6	28	179.2	27	394.4	29	359.8	27
Asia Pasific	72.4	11	72.4	11	146.3	11	146.3	11
Others	41.1	6	41.1	6	91.3	6	91.3	7
Total	688.2		673.7		1,364.4		1,334.8	

CONTINGENT LIABILITIES AND PLEDGED ASSETS

M€	IFRS	FAS	IFRS	FAS
	30/6/2003	30/6/2003	31/12/2003	31/12/2003
Assets pledged to secure loans				
Group and parent company	20.4	20.4	18.6	18.6
Pledged assets				
Group and parent company	14.7	14.7	14.7	14.7
Guarantees				
Associated companies	4.7	4.7	10.1	10.1
Others ¹⁾	68.0	68.0	47.7	47.7
Leasing liabilities				
Falling due in the next year	31.2	40.3	37.5	45.7
Falling due after one year	61.9	94.0	75.3	105.2
Other contingent liabilities ¹⁾	21.8	95.8	18.5	88.7
Total	222.7	337.9	222.4	330.7

¹⁾ Guarantees for others 31.12.2003 include M€11.0 (Q2 2003: M€28.0) customer finance arrangements in which the sold machines are a collateral, and other contingent liabilities include repurchase commitments for sold products with a value of M€14.0 (Q2 2003: M€16.1). The main change in other contingent liabilities consists of the recognition of repurchase liability of 14.7 % of the shares of associated company Consolis Oy Ab into the balance sheet.

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RECONCILIATION OF NET INCOME

M€	1-6/2003	1-12/2003
Net income according to FAS	72.1	216.9
Effects of adopting IFRS:		
Goodwill amortization (4)	38.0	80.9
Long-term contracts according to the percentage completion method (5)	8.1	3.5
Deferred tax (6)	0.0	-4.1
Finance leases (7)	-0.1	-0.1
Customer finance arrangements (8)	-0.5	-0.9
Cash flow hedge (9)	-0.7	0.7
Employee benefits (10)	0.4	-1.1
Other IFRS adjustments (12)	1.5	4.4
Total IFRS restatement	46.7	83.3
Net income according to IFRS	118.8	300.2

RECONCILIATION OF EQUITY

M€	31/12/2002	30/6/2003	31/12/2003
Equity according to FAS	1,109.3	973.0	1,090.2
Effects of adopting IFRS:			
Capital loans (1)	-102.1	-2.1	0.0
Reserve for own shares (2)	-26.3	-26.3	-26.3
Minority shares (3)	20.1	8.2	24.1
Goodwill amortization (4)		38.0	80.9
Long-term contracts according to the percentage completion method (5)	-1.2	7.0	2.4
Deferred tax (6)	36.4	36.1	31.8
Finance leases (7)	-1.5	-1.5	-1.4
Customer finance arrangements (8)	-9.2	-9.6	-8.8
Cash flow hedge (9)	8.1	10.6	12.1
Employee benefits (10)	-74.4	-72.0	-71.5
Cancellation of revaluations (11)	-13.9	-13.9	-13.9
Other IFRS adjustments (12)	-5.5	-6.6	-4.8
Total IFRS restatement	-169.5	-32.1	24.6
Equity according to IFRS	939.8	940.9	1,114.8

Kone Corporation

IFRS COMPARISON 1-9/2003 AND 1-12/2003

CONSOLIDATED STATEMENT OF INCOME

M€	IFRS		FAS		IFRS		FAS	
	1-9/2003	%	1-9/2003	%	1-12/2003	%	1-12/2003	%
Sales	3,846.6		3,783.3		5,410.4		5,344.4	
Costs and expenses	-3,480.7		-3,436.9		-4,890.2		-4,845.0	
Depreciation	-82.8		-61.6		-108.1		-80.9	
Sale of businesses	3.5		0.0		24.9		0.0	
Operating income before goodwill amortization	286.6	7.5	284.8	7.5	437.0	8.1	418.5	7.8
Goodwill amortization	0.0		-64.3		0.0		-89.1	
Operating income	286.6	7.5	220.5	5.8	437.0	8.1	329.4	6.2
Share of associated companies' income	3.9		2.7		6.7		4.9	
Financing income and expenses	-25.0		-21.4		-27.8		-27.3	
Income after financing items	265.5	6.9	201.8	5.3	415.9	7.7	307.0	5.7
Extraordinary items	0.0		0.0		0.0		21.6	
Income before taxes	265.5	6.9	201.8	5.3	415.9	7.7	328.6	6.1
Taxes	-72.3		-74.2		-113.2		-109.2	
Minority share	-1.7		-1.7		-2.5		-2.5	
Net income	191.5	5.0	125.9	3.3	300.2	5.5	216.9	4.1
Basic earnings per share, €	3.06		2.01		4.79		3.12	
Diluted earnings per share, €	3.04		2.00		4.77		3.10	

Kone Corporation

CONSOLIDATED BALANCE SHEET

Assets	IFRS	FAS	IFRS	FAS
M€	30/9/2003	30/9/2003	31/12/2003	31/12/2003
Non-current assets				
Intangible assets	1,085.2	1,027.0	1,026.7	947.0
Tangible assets	462.7	392.7	468.5	401.4
Loans receivable and other non-current assets	205.7	0.0	211.1	0.0
Investments	209.9	219.5	197.0	209.0
Total	1,963.5	1,639.2	1,903.3	1,557.4
Current assets				
Inventories	567.2	549.4	482.4	458.0
Accounts receivable and other current assets	998.5	1,202.4	978.0	1,184.5
Cash and cash equivalents	438.4	438.3	407.0	417.0
Total	2,004.1	2,190.1	1,867.4	2,059.5
Total assets	3,967.6	3,829.3	3,770.7	3,616.9
Shareholders' equity and liabilities				
M€	IFRS	FAS	IFRS	FAS
	30/9/2003	30/9/2003	31/12/2003	31/12/2003
Equity	1,039.3	1,027.7	1,114.8	1,090.2
Minority shares	0.0	27.7	0.0	24.1
Long-term liabilities				
Loans	836.5	765.4	723.5	683.9
Deferred tax liabilities	30.4	29.8	25.5	24.5
Pension benefit liabilities and other liabilities	181.8	0.0	180.8	0.0
Total	1,048.7	795.2	929.8	708.4
Provisions	180.8	219.8	167.3	195.5
Current liabilities				
Loans	618.0	598.0	504.8	460.8
Accounts payable and other current liabilities	1,080.8	1,160.9	1,054.0	1,137.9
Total	1,698.8	1,758.9	1,558.8	1,598.7
Total shareholders' equity and liabilities	3,967.6	3,829.3	3,770.7	3,616.9

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CONSOLIDATED CASH FLOW

M€	IFRS	FAS	IFRS	FAS
	1-9/2003	1-9/2003	1-12/2003	1-12/2003
Operating income before goodwill amortization				
KONE Elevators & Escalators	193.3	197.7	289.6	298.6
Kone Cargotec	55.8	53.5	76.7	74.9
Others	34.0	33.6	45.8	45.0
Sale of businesses	3.5	0.0	24.9	0.0
Total	286.6	284.8	437.0	418.5
Change in working capital				
KONE Elevators & Escalators	32.9	34.1	-14.9	-15.7
Kone Cargotec	21.2	18.6	24.9	15.4
Others	-31.4	-40.4	6.3	-0.4
Sale of businesses	-3.5	0.0	-24.9	0.0
Total	19.2	12.3	-8.6	-0.7
Depreciation				
KONE Elevators & Escalators	42.8	31.7	56.6	41.6
Kone Cargotec	26.6	18.2	34.4	24.0
Others	13.4	11.7	17.1	15.3
Total	82.8	61.6	108.1	80.9
Cash flow from operating activities before financial items and taxes				
KONE Elevators & Escalators	269.0	263.5	331.3	324.5
Kone Cargotec	103.6	90.3	136.0	114.3
Others	16.0	4.9	69.2	59.9
Total	388.6	358.7	536.5	498.7
Cash flow from financial items and taxes	-84.7	-81.1	-101.0	-99.1
Cash flow from investing activities				
Fixed assets ¹⁾	209.8	209.8	283.7	283.7
Leasing agreements	-2.4	0.0	-6.0	0.0
Customer financing	-14.6	0.0	-14.2	0.0
Total	192.8	209.8	263.5	283.7
Dividends paid	-93.7	-93.7	-93.7	-93.7
Change in net debt	403.0	393.7	605.3	589.6
Net debt in the beginning of period	1,251.5	1,251.5	1,251.5	1,251.5
Increase of net debt due to adopting IFRS	100.5		100.5	
Net debt in the end of period	949.0	857.8	746.7	661.9
Change in net debt	403.0	393.7	605.3	589.6

¹⁾ Includes sale of businesses

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KEY FIGURES

	IFRS 1-9/2003	FAS 1-9/2003	IFRS 1-12/2003	FAS 1-12/2003
Basic earnings per share, €	3.06	2.01	4.79	3.12
Diluted earnings per share, €	3.04	2.00	4.77	3.10
Equity per share, €	16.2	16.0	17.8	17.0
Interest bearing net debt, M€	949	858	747	662
Total equity/total assets, %	26.2	27.1	29.6	30.3
Gearing, %	94	83	67	61

SEGMENT REPORTING

1. BUSINESS SEGMENTS

M€	IFRS 1-9/2003		FAS 1-9/2003		IFRS 1-12/2003		FAS 1-12/2003	
		%		%		%		%
Sales								
KONE Elevators & Escalators	1,984.7		1,938.9		2,856.0		2,814.1	
Kone Cargotec	999.0		976.2		1,364.4		1,334.8	
Others	862.9		868.2		1,190.0		1,195.5	
Total	3,846.6		3,783.3		5,410.4		5,344.4	

Operating income before goodwill amortization

KONE Elevators & Escalators	193.3	9.7	197.7	10.2	289.6	10.1	298.6	10.6
Kone Cargotec	55.8	5.6	53.5	5.5	76.7	5.6	74.9	5.6
Others	34.0		33.6		45.8		45.0	
Sale of businesses	3.5		0.0		24.9		0.0	
Total	286.6	7.5	284.8	7.5	437.0	8.1	418.5	7.8

M€	IFRS 30/9/2003	FAS 30/9/2003	IFRS 31/12/2003	FAS 31/12/2003
Order book				
KONE Elevators & Escalators	1,821.5	1,931.9	1,639.6	1,746.1
Kone Cargotec	438.0	380.3	473.6	424.7
Others	146.0	142.1	83.0	83.0
Total	2,405.5	2,454.3	2,196.2	2,253.8

Kone Corporation

2. GEOGRAPHICAL SEGMENTS

SALES

KONE Corporation M€	IFRS		FAS		IFRS		FAS	
	1-9/2003	%	1-9/2003	%	1-12/2003	%	1-12/2003	%
Europe	2,428.1	64	2,423.4	65	3,432.1	64	3,426.0	64
North America	813.4	21	768.3	20	1,147.4	21	1,108.2	21
Asia Pasific	362.2	9	348.7	9	509.2	9	488.5	9
Others	242.9	6	242.9	6	321.7	6	321.7	6
Total	3,846.6		3,783.3		5,410.4		5,344.4	

KONE Elevators & Escalators M€	IFRS		FAS		IFRS		FAS	
	1-9/2003	%	1-9/2003	%	1-12/2003	%	1-12/2003	%
Europe	1,289.2	65	1,276.9	66	1,850.1	65	1,833.5	65
North America	468.7	24	448.7	23	681.7	24	677.1	24
Asia Pasific	220.8	11	207.3	11	315.3	11	294.6	11
Others	6.0	0	6.0	0	8.9	0	8.9	0
Total	1,984.7		1,938.9		2,856.0		2,814.1	

Kone Cargotec M€	IFRS		FAS		IFRS		FAS	
	1-9/2003	%	1-9/2003	%	1-12/2003	%	1-12/2003	%
Europe	532.1	53	534.4	55	732.4	54	737.4	55
North America	291.1	29	266.0	27	394.4	29	359.8	27
Asia Pasific	105.7	11	105.7	11	146.3	11	146.3	11
Others	70.1	7	70.1	7	91.3	6	91.3	7
Total	999.0		976.2		1,364.4		1,334.8	

CONTINGENT LIABILITIES AND PLEDGED ASSETS

M€	IFRS		FAS	
	30/9/2003	30/9/2003	31/12/2003	31/12/2003
Assets pledged to secure loans				
Group and parent company	19.2	19.2	18.6	18.6
Pledged assets				
Group and parent company	14.5	14.5	14.7	14.7
Guarantees				
Associated companies	7.1	7.1	10.1	10.1
Others ¹⁾	67.4	67.4	47.7	47.7
Leasing liabilities				
Falling due in the next year	33.4	42.0	37.5	45.7
Falling due after one year	67.6	97.9	75.3	105.2
Other contingent liabilities ¹⁾	16.1	91.4	18.5	88.7
Total	225.3	339.5	222.4	330.7

¹⁾ Guarantees for others 31.12.2003 include M€11.0 (Q3 2003: M€26.3) customer finance arrangements in which the sold machines are a collateral, and other contingent liabilities include repurchase commitments for sold products with a value of M€14.0 (Q3 2003: M€15.1). The main change in other contingent liabilities consists of the recognition of repurchase liability of 14.7 % of the shares of associated company Consolis Oy Ab into the balance sheet.

Kone Corporation

RECONCILIATION OF NET INCOME

M€	1-9/2003	1-12/2003
Net income according to FAS	125.9	216.9
Effects of adopting IFRS:		
Goodwill amortization (4)	58.8	80.9
Long-term contracts according to the percentage completion method (5)	5.6	3.5
Deferred tax (6)	0.1	-4.1
Finance leases (7)	-0.1	-0.1
Customer finance arrangements (8)	-0.8	-0.9
Cash flow hedge (9)	-0.5	0.7
Employee benefits (10)	0.9	-1.1
Other IFRS adjustments (12)	1.6	4.4
Total IFRS restatement	65.6	83.3
Net income according to IFRS	191.5	300.2

RECONCILIATION OF EQUITY

M€	31/12/2002	30/9/2003	31/12/2003
Equity according to FAS	1,109.3	1,027.7	1,090.2
Effects of adopting IFRS:			
Capital loans (1)	-102.1	0.0	0.0
Reserve for own shares (2)	-26.3	-26.3	-26.3
Minority shares (3)	20.1	27.7	24.1
Goodwill amortization (4)	0.0	58.8	80.9
Long-term contracts according to the percentage completion method (5)	-1.2	4.5	2.4
Deferred tax (6)	36.4	35.8	31.8
Finance leases (7)	-1.5	-1.5	-1.4
Customer finance arrangements (8)	-9.2	-9.9	-8.8
Cash flow hedge (9)	8.1	14.1	12.1
Employee benefits (10)	-74.4	-71.2	-71.5
Cancellation of revaluations (11)	-13.9	-13.9	-13.9
Other IFRS adjustments (12)	-5.5	-6.5	-4.8
Total IFRS restatement	-169.5	11.6	24.6
Equity according to IFRS	939.8	1,039.3	1,114.8

Kone Corporation

QUARTERLY FIGURES (IFRS)

KONE Corporation

		Q4/2003	Q3/2003	Q2/2003	Q1/2003
Orders received	M€	1 203,2	1 038,6	1 161,3	1 155,3
Order book	M€	2 196,2	2 405,5	2 432,5	2 392,9
Sales	M€	1 563,8	1 285,2	1 376,8	1 184,6
Operating income	M€	150,4	102,9	111,5	72,2
Operating income	%	9,6	8,0	8,1	6,1

KONE Elevators & Escalators

		Q4/2003	Q3/2003	Q2/2003	Q1/2003
Orders received	M€	516,3	486,4	515,5	502,8
Order book	M€	1 639,6	1 821,5	1 839,0	1 797,1
Sales	M€	871,3	699,6	693,6	591,5
Operating income	M€	96,3	75,6	70,1	47,6
Operating income	%	11,1	10,8	10,1	8,0

Kone Cargotec

		Q4/2003	Q3/2003	Q2/2003	Q1/2003
Orders received	M€	415,6	318,7	356,9	390,3
Order book	M€	473,6	438,0	431,8	437,5
Sales	M€	365,4	310,8	360,2	328,0
Operating income	M€	20,9	12,8	25,8	17,2
Operating income	%	5,7	4,1	7,2	5,2

Additional information

- 1) Capital loans are classified as liabilities in IFRS balance sheet.
- 2) Own shares held by the parent company are not included in assets or in equity.
- 3) Minority shares are included in equity.
- 4) Goodwill is not amortized but impairment tested. The amount of goodwill amortizations in reconciliation calculations is different from the amount of goodwill amortizations in FAS consolidated statement of income due to the reclassification of items previously included in goodwill as intangible assets in IFRS balance sheet.
- 5) Percentage of completion revenue recognition method is applied to long term projects.
- 6) Deferred tax includes the impact from several IFRS-adjustments. Deferred tax assets are included in the balance sheet in loans receivable and other non-current assets.
- 7) Leasing agreements have been classified as financial leases.
- 8) Customer finance arrangements, e.g. sale and lease-back agreements, and customer finance commitments have been classified in compliance with IAS 17 (Leases), IAS 18 (Revenue) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).
- 9) The fair value of cash flow hedging derivatives is included in the balance sheet and the changes in the fair values in cash flow hedge reserve in equity.
- 10) Defined benefit plans in various KONE companies. The disability element of Finnish pension scheme (TEL) is calculated as a defined benefit plan in Finnish Group companies. All cumulative actuarial gains and losses are recognized in the balance sheet of the IFRS transition date.
- 11) Revaluations on land and buildings according to FAS have been cancelled.
- 12) The main item in other IFRS-adjustments consists of share repurchase commitment of associated company Consolis Oy Ab. This commitment has been transferred from contingent liabilities to balance sheet.

Other additional information

Research and development cost and development cost on information technology are expensed as incurred. Extraordinary items according to FAS are presented in IFRS statement of income above Operating income.