

22 July, 2003

KONE Interim Report: January – June, 2003

Sales and Profitability on Track

* The value of orders received rose to MEUR 2,317 (Jan.-June, 2002: 1,108). KONE Elevators & Escalators accounted for MEUR 1,018 (1,108) of the total. At comparable exchange rates order intake was unchanged. KONE Materials Handling's share of order intake was MEUR 1,298 (Jan.-June, 2002, not consolidated: 1,242), reflecting growth of 14 percent at comparable exchange rates.

* Sales totaled MEUR 2,504 (1,378). Elevators & Escalators' net sales amounted to MEUR 1,238 (1,378). (At comparable exchange rates, sales decreased by two percent). Materials Handling's sales were MEUR 1,266 (1,213, reflecting growth of 13 percent at comparable exchange rates).

* Operating income before goodwill amortization (EBITA) was MEUR 177.6 (117.3). In Elevators & Escalators, EBITA was MEUR 117.5 (117.3), or 9.5 (8.5) percent of net sales. Materials Handling's EBITA was MEUR 67.1 (40.6), or 5.3 (3.3) percent of net sales. Unallocated corporate costs accounted for MEUR 7.0 (0.0).

* Cash flow from operations before financial items and taxes was MEUR 185.0 (182.8). Elevators & Escalators accounted for MEUR 126.2 (182.8) and Materials Handling for MEUR 58.8 (27.5).

* Interest-bearing net debt decreased to MEUR 952.7 (end of 2002: 1,252)

* Net income amounted to MEUR 72.1 (60.8).

* Earnings per share rose to EUR 1.15 from EUR 1.04.

* New owners are being sought for the Tractors and Forest Machines businesses.

The figures for Materials Handling were consolidated into KONE's figures as of July 1, 2002, and the comparison figures for January-June 2002 are, therefore, not consolidated. The comparison figures are calculated at the exchange rate for the comparison period and do not include Nordkalk and Paroc, which have been sold.

KONE Chairman of the Board Antti Herlin in conjunction with the interim report:

“KONE's first half financial result is on track with our disclosed expectations for the full year.

“In Elevators & Escalators the market for new equipment was challenging. KONE strengthened its market position in Europe and North America, however, and our service business progressed steadily. KONE's success in China and Australia continued. Profitability in this division will improve as planned.

“Sales and order growth in Materials Handling were favorable. Growth was almost exclusively organic, which is an indicator of good underlying potential. Profitability also improved clearly.



“We have disclosed our decision to focus on Elevators & Escalators, and Container and Load Handling while seeking new owners for the Tractors and Forest Machines businesses. This process is well underway, and we will disclose information about progress in this effort during the fall.”

Sender:

KONE Corporation

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KONE is a global service and engineering company that specializes in moving people and goods. Annual net sales total EUR 5,500 million, and we employ nearly 35,000 people. KONE's B shares are listed on the Helsinki Exchanges.

www.kone.com

Acquisitions and Changes in Group Structure

Redemption of Partek Shares

A court of arbitration confirmed on April 2, 2003, that Kone Finance Oy has, in accordance with the Finnish Companies Act, Chapter 14, Paragraph 19, an undisputed right to redeem the minority shareholders' shares in Partek Corporation at market price.

The redemption price of 15.30 euros per share, and an interest of five percent per annum on the redemption price from December 18, 2002, up to the day of payment, was paid during the period under review.

Finalized and Planned Divestments

The sales of Nordkalk Corporation and Paroc Group Oy Ab were finalized on February 12, 2003.

The transaction price for Nordkalk, after reduction of minority interests, was EUR 270 million. The price for the shares was EUR 140 million.

The debt-free price for the 38 percent holding in Paroc was approximately EUR 75 million, including the price for the shares and the repayment of loans.

In April, KONE sold the real estate company Cellit Oy Ab to the management of the company. The value of Cellit's real estate holding was approximately EUR 12 million.

On June 26, KONE announced that new owners are being sought for the Tractors and Forest Machines businesses. The divestment of Tractors and Forest Machines gives KONE a clearer business structure that is focused on the elevator and escalator, container handling and load handling businesses. It will also substantially decrease gearing and net debt. Reduced net debt improves the possibilities to develop and grow KONE Elevators & Escalators and KONE Materials Handling through complementary acquisitions and investments. The forest cranes business, which is part of Forest Machines, will be retained and included in the Load Handling business area.

KONE Elevators & Escalators

Markets, Orders Received and Order Book

Total demand for new elevators and escalators weakened somewhat in Europe due to lower construction activity in many key markets, especially in the office building sector. In Asia demand varied with continued strong growth in China and Australia while smaller Asian markets weakened. The North American market remained sluggish. The market for machine-room-less elevators is gaining ground in the U.S.A.

KONE maintained its premium pricing policy despite weakened demand for new equipment.



Sales and profitability in maintenance and modernization operations progressed steadily. The newly developed modernization concept for escalators was well received on the market and offers potential for further growth.

Orders received, excluding the value of maintenance contracts, totaled EUR 1,018 (January-June 2002: 1,108) million. At comparable exchange rates, order intake remained at the previous year's level.

Order intake in Europe surpassed the level for the first six months of 2002 despite generally weaker demand as the residential sector remained fairly stable. In North America the value of orders rose, supported by the growing market for machine-room-less elevators and increasing modernization orders. In Asia-Pacific, order intake continued strong in China, Australia and India. Total Asia-Pacific order intake was lower, however, as the second quarter of 2002 included an exceptionally large order for the Singapore metro.

The order book at the end of June stood at EUR 1,951 (end of 2002: 1,792) million.

Significant Elevators & Escalators Orders During the Second Quarter

During the second quarter, KONE booked an order to supply 15 elevators, including 13 machine-room-less KONE EcoSystem MR™ units, for the new Civic Center in San Jose, California.

In India, KONE received an order from Delhi Metro Railway Corporation for 64 KONE heavy-duty transit escalators. This is the largest single elevator or escalator order ever booked by any company in India. Deliveries from KONE's escalator manufacturing facility in China will start later this year, and completion is scheduled for early 2005.

In Australia, KONE secured two orders for a total of 37 KONE Alta™ elevators in Melbourne. An office tower on the Southern Cross Hotel site will be served by 23 Alta™ elevators and six KONE MonoSpace® elevators. KONE will supply 14 KONE Alta™ elevators and four KONE MonoSpace® elevators for an office building to be developed on the Herald and Weekly Times site.

KONE won a landmark order in London for the supply of 30 elevators and six escalators for Bishop's Square, the largest development currently underway in the City of London.

KONE also booked a large and prestigious modernization order for the replacement of 12 elevators for Sea Containers House in London.

Sales

Sales totaled EUR 1,238 (1,378) million. At comparable exchange rates, sales fell by two percent. Europe accounted for 68 (60) percent, North America for 22 (30) percent and Asia-Pacific for 10 (9) percent of net sales. In the U.S.A., installations of new elevators and

escalators are scheduled for completion during the third and, especially, the fourth quarter to a greater degree than was the case in 2002.

Deliveries of new equipment decreased during the period under review. The high level of installation work in progress, compared with year 2002, will support sales growth during the rest of the year. The 2003 sales target for new equipment is to achieve the 2002 level at comparable exchange rates.

At comparable exchange rates sales growth in maintenance and modernizations reached the five percent target set for the full year. This includes automatic building door service revenue, which rose approximately 30 percent as a result of strong organic growth and acquisitions completed in the second half of 2002.

Sales by market area (MEUR)

	1-6/2003	1-6/2002	4-6/2003	4-6/2002	1-12/2002
Europe	840.5	821.8	463.8	449.4	1,798.1
North America	274.8	416.0	144.3	218.5	851.1
Asia Pacific	119.6	125.0	65.0	72.0	292.2
Others	2.9	14.8	1.6	6.7	28.7
Total	1,237.8	1,377.6	674.7	746.6	2,970.1

Financial Result, Assets Employed and Cash Flow

Operating income before goodwill amortization (EBITA) in KONE Elevators & Escalators was EUR 117.5 (117.3) million or 9.5 (8.5) percent of net sales.

At the end of June, working capital was negative at EUR –63.8 (end of 2002: –84.5) million. Tangible fixed assets without goodwill were EUR 178.4 (end of 2002: 186.6) million.

Cash flow from operating activities before financial items and taxes totaled EUR 126.2 (182.8) million.

Capital Expenditure and Product Development

Capital expenditure in production facilities, field operations and information systems totaled EUR 18.3 (29.9) million.

Product development expenditures totaled EUR 19.9 (20.0) million or 1.6 (1.5) percent of net sales.

Outlook

At comparable exchange rates, orders for new elevators and escalators are anticipated to achieve at least the 2002 level. The target for comparable new equipment sales is to reach the 2002 level.



At comparable exchange rates, maintenance and modernization revenue is expected to increase by approximately five percent and door service revenue by 20 percent during the year under review.

The EBITA margin is expected to exceed 10 percent.

KONE Materials Handling

KONE Materials Handling consists of four business areas - Container Handling, Load Handling, Forest Machines and Tractors - and of minor holdings.

Markets, Orders Received and Order Book

The market for container-handling equipment and services improved somewhat during the first half of the year, supported by the increase in container throughput. In particular, demand for yard equipment, where Kalmar is the market leader, improved.

The uncertainty of the European economy and weak truck sales weighed on demand in Load Handling. Order intake in the second quarter, however, slightly surpassed the previous year's level, supported by good demand for the new large HIAB XS loader cranes and new models in the other product groups.

The European tractor market was somewhat weaker, but Valtra's total order intake rose as a result of the strong Latin American market and significant orders to Iran and China.

The forest machine market remained at approximately the level of a year earlier, but a slight weakening occurred towards the end of the period.

The value of orders received increased to EUR 1,298 (1,242) million. At comparable exchange rates, order intake rose 14 percent.

Orders by business area (MEUR)

	1-6/2003	1-6/2002	4-6/2003	4-6/2002	1-12/2002
Container Handling	406.2	369.9	192.5	182.1	708.5
Load Handling	320.5	325.6	154.8	153.2	591.7
Forest machines	147.1	151.1	69.9	81.3	302.8
Tractors	444.9	415.0	237.8	220.3	810.8
Eliminations	(20.4)	(19.5)	(9.2)	(9.8)	(39.3)
Total	1,298.3	1,242.1	645.8	627.1	2,374.5

At comparable exchange rates the order book at the end of June rose in all business areas except Forest Machines and totaled EUR 521.2 million compared with EUR 497.8 million a year earlier.

Significant Material Handling Orders During the Second Quarter

In the second quarter Kalmar received orders for two ship-to-shore container cranes for EUROGATE's Container Terminal Hamburg in Germany with an option for a third crane, a ship-to-shore crane for P&O Ports Antwerp in Belgium, and several large orders for straddle carriers.

Load Handling received several military orders for loader cranes and demountables and won its biggest order ever for truck-mounted forklifts in Europe, comprising 80 Moffett forklifts.

Tractors received an order from Iran for 500 Valtra tractors. The order includes spare parts and extensive training and is the largest single order ever booked by Valtra.

Sales

Sales rose to EUR 1,266 (1,213) million. At comparable exchange rates, sales rose 13 percent. The four business areas recorded sales totaling EUR 1,204 (1,145) million.

In Container Handling, sales of terminal tractors continued to improve. Reachstacker and straddle carrier sales also grew. Sales of industrial forklifts fell due to the economic weakness in Europe. At comparable exchange rates, sales rose in all product groups within Load Handling, and sales of both forest machines and forest cranes increased from the previous year's level. Latin American tractor sales remained strong. Diesel engines sales also rose.

Sales by business area (MEUR)

	1-6/2003	1-6/2002	4-6/2003	4-6/2002	1-12/2002
Container Handling	359.8	345.9	195.1	181.9	719.3
Load Handling	296.3	303.5	153.8	156.1	586.1
Forest Machines	141.0	132.4	71.9	72.0	291.5
Tractors	428.7	382.3	241.5	213.1	761.7
Eliminations	(21.4)	(19.1)	(10.8)	(9.4)	(39.1)
Total	1,204.4	1,145.0	651.5	613.7	2,319.5

Financial Result, Assets Employed and Cash Flow

Operating income before goodwill amortization (EBITA) rose by 65 percent to EUR 67.1 (40.6) million, which is 5.3 (3.3) percent of net sales.

Net working capital at the end of June was EUR 403.1 (end of 2002: 371.9) million. The value of tangible fixed assets was EUR 221.4 (end of 2002: 461.9) million.

Cash flow from operations before financial items and taxes was EUR 58.8 (Jan-June, 2002: 27.5) million.

Capital Expenditure and Product Development

Capital expenditure in production facilities, field operations and information systems totaled EUR 13.2 (14.6) million.

Research and development expenditure totaled EUR 24.9 (24.5) million, which is 2.0 (2.0) percent of net sales.

Other Significant Events

The reorganization of the Container and Load Handling businesses is progressing with the aim of improving profitability through increased outsourcing and decreasing the number of production facilities.

Several previously initiated actions were completed during the period under review, including outsourcing of steel construction and welding operations in Container Handling. In Load Handling, production of demountables and key components for loader cranes was centralized, and further integration of the sales network in Europe is underway.

All business areas have actively been introducing new products, which has supported growth in sales and orders.

Outlook

In the future, KONE Materials Handling will comprise Container and Load Handling. At comparable exchange rates, the 2003 order intake and sales of Container and Load Handling combined are expected to achieve at least the 2002 level. Their combined EBITA will improve, and the EBITA margin is anticipated to exceed five percent.

KONE Financial Result, Balance Sheet, Cash Flow and Personnel

KONE's operating income before goodwill amortization (EBITA) totaled EUR 177.6 (117.3) million, or 7.1 (8.5) percent of net sales for the first half of the year.

KONE Elevators & Escalators' EBITA was EUR 117.5 (117.3) million, and KONE Materials Handling's EBITA totaled EUR 67.1 (40.6) million. Total EBITA includes EUR 7.0 (0.0) million of non-allocated corporate costs.

January-June net income totaled EUR 72.1 (60.8) million, when taxes proportionate to the amount due for the full year are taken into account. Earnings per share stood at EUR 1.15 (1.04).

Cash flow from operations (before financial items and taxes on the corporate level) totaled EUR 185.0 (182.8) million. Consolidated cash flow from operating activities was EUR 136.4 (152.8) million. Net cash flow from investment activities, including acquisitions, divestments and transferred capital loans, totaled EUR 256.2 (-271.9) million.



KONE's net debt at the end of the period was EUR 952.7 (end of 2002: 1,252) million. Total equity as a share of total assets was 24.5 (24.2) percent. Gearing was 100 (125) percent.

KONE employed 34,735 people (end of 2002: 35,864) at the end of June. The average number of employees during January-June was 34,495.

KONE Shareholder Meetings and Board of Directors

In February, the Annual General Meeting (AGM) of KONE Corporation confirmed the number of members of the Board of Directors at seven. Pekka Herlin was re-elected as chairman of the Board. Re-elected as full members of the Board were KONE CEO Antti Herlin, Gerhard Wendt, Iiro Viinanen, Jean-Pierre Chauvarie, and President and CEO of Toshiba Elevator and Building Systems Corporation, Hiroshi Nishioka. The President of Nokia Mobile Phones, Matti Alahuhta, was elected as a new member of the Board.

On April 4, 2003 the long-standing chairman of the Board of Directors of KONE Corporation, Pekka Herlin, passed away after a lengthy illness. On 18 June an Extraordinary Meeting of Shareholders elected CEO and deputy chairman of the Board of Directors Antti Herlin chairman of the Board. The number of Board members was ratified at six and no new Board members were elected.

The Board of Directors' proposal that the AGM authorize the Board of Directors to repurchase KONE's own shares with assets distributable as profit was approved. The number of shares to be repurchased shall not exceed 3,173,180 shares (maximums: 476,304 class A shares and 2,696,876 class B shares).

In addition, the Board of Directors' proposal that the Annual General Meeting authorize the Board of Directors to decide on the distribution of any shares repurchased by the company was approved. The authorizations are in effect for a period of one year from the date of decision of the AGM.

As the result of share transactions during the period, the share of votes in KONE Corporation controlled by Antti Herlin has decreased to below two thirds.

Repurchase of KONE shares

During the period under review, KONE did not repurchase any of its own shares.

On the basis of the AGM's authorization, KONE Corporation's Board of Directors decided on 23 April to commence repurchasing shares at the earliest on April 30, 2003. The repurchased shares are to be used as compensation in possible acquisitions and in other arrangements as well as to develop the company's capital structure.

At the end of the reporting period, KONE's Board of Directors had no current authorization to raise the share capital or to issue convertible or warrant loans.



Outlook

The 2003 target in KONE Elevators & Escalators is to reach the 2002 sales level and at least the 2002 order intake level when comparable exchange rates are applied.

In KONE Materials Handling, the sales and order intake target for Container and Load Handling combined is to achieve at least the previous years levels, when comparable exchange rates are applied.

The EBITA margin is anticipated to exceed 10 percent in Elevators & Escalators and five percent in Container and Load Handling combined.

The strong cash flow of both divisions, coupled with effect of the divestment of Nordkalk and Paroc, will considerably strengthen KONE's balance sheet for 2003. Disregarding the impact of the planned divestment of Tractors and Forest Machines, gearing is expected to decrease to 70 percent, net debt to fall to EUR 800 million, and the equity ratio to exceed 25 percent.

Helsinki, 22 July 2003

KONE Corporation
Board of Directors

Unaudited



CONSOLIDATED STATEMENT OF INCOME (MEUR)

	1-6/2003	%	1-6/2002	%	1-12/2002	%
Sales	2,503.6		1,377.6		4,341.8	
Costs and expenses	(2,284.6)		(1,238.2)		(3,926.0)	
Depreciation without goodwill amortization	(41.4)		(22.1)		(75.6)	
Operating income before goodwill amortization (EBITA)	177.6	7.1	117.3	8.5	340.2	7.8
Goodwill amortization	(41.7)		(20.7)		(65.0)	
Operating income	135.9	5.4	96.6	7.0	275.2	6.3
Share of associated companies' net income	1.4		0.6		5.9	
Financing income and expenses	(15.7)		1.1		(24.9)	
Income before taxes	121.6	4.9	98.3	7.1	256.2	5.9
Taxes	(48.5)		(37.0)		(95.5)	
Minority share	(1.0)		(0.5)		(3.6)	
Net income	72.1	2.9	60.8	4.4	157.1	3.6

Taxes proportionate to the amount due for the full year are taken into account.

CONSOLIDATED BALANCE SHEET (MEUR)

Assets	30/6/2003	30/6/2002	31/12/2002
Fixed assets and other long-term investments			
Intangible assets	1,003.6	429.6	1,120.2
Tangible assets	399.9	192.0	648.7
Investments	210.0	426.3	234.0
Total	1,613.5	1,047.9	2,002.9
Current assets			
Inventories	569.3	86.9	530.4
Receivables	1,258.3	824.0	1,207.2
Deposits and cash	435.1	403.8	419.7
Total	2,262.7	1,314.7	2,157.3
Total assets	3,876.2	2,362.6	4,160.2
Shareholders' equity and liabilities	30/6/2003	30/6/2002	31/12/2002
Equity	973.0	924.8	1,109.3
Minority shares	8.2	1.0	20.1
Provision for liabilities and charges	218.1	177.8	247.0
Long-term debt	837.0	373.6	975.8
Current Liabilities	1,839.9	885.4	1,808.0
Total shareholders' equity and liabilities	3,876.2	2,362.6	4,160.2



CASH FLOW (MEUR)

	1-6/2003	1-6/2002	1-12/2002
Cash flow from operations before taxes and financing items:			
KONE Elevators & Escalators	126.2	182.8	460.7
KONE Materials Handling (7-12/02)	58.8		154.9
Total	185.0	182.8	615.6
Cash flow from taxes and financing items	(48.6)	(30.0)	(118.7)
Cash flow from (investments)/divestments	256.2	(271.9)	(887.7)
Dividends paid	(93.8)	(42.3)	(42.3)
Change in net debt	298.8	(161.4)	(433.1)
Partek net debt on 1 July 2002*			866.0
Net debt in the beginning of period	1,251.5	(47.6)	(47.6)
Net debt in the end of period*	952.7	113.8	1,251.5

* Incl. capital loans

KEY FIGURES

		1-6/2003	1-6/2002	1-12/2002
Earnings/share	EUR	1.15	1.04	2.54
Equity/share	EUR	15.1	15.0	15.7
Interest bearing net debt*	MEUR	953	114	1,252
Total equity/total assets	%	24.5	38.5	24.2
Gearing*	%	100	13	125

* Capital loans are included in debt



ORDERS RECEIVED (MEUR)

	1-6/2003	1-6/2002	1-12/2002
KONE Elevators & Escalators	1,018.3	1,107.8	2,128.6
KONE Materials Handling	1,298.3		1,132.4
Total	2,316.6	1,107.8	3,261.0

ORDER BOOK (MEUR)

	30/6/2003	30/6/2002	31/12/2002
KONE Elevators & Escalators	1,950.9	1,956.5	1,791.8
KONE Materials Handling	521.2		447.7
Total	2,472.1	1,956.5	2,239.5

SALES (MEUR)

	1-6/2003	1-6/2002	1-12/2002
KONE Elevators & Escalators	1,237.8	1,377.6	2,970.1
KONE Materials Handling	1,265.8		1,371.7
Total	2,503.6	1,377.6	4,341.8

CAPITAL EXPENDITURE (MEUR)

	1-6/2003	1-6/2002	1-12/2002
KONE Elevators & Escalators	18.3	29.9	51.1
KONE Materials Handling	13.2		41.7
Total	31.5	29.9	92.8

EXPENDITURE FOR R&D (MEUR)

	1-6/2003	1-6/2002	1-12/2002
KONE Elevators & Escalators	19.9	20.0	40.2
KONE Materials Handling	24.9		23.1
Total	44.8	20.0	63.3

AVERAGE NUMBER OF EMPLOYEES

	1-6/2003	1-6/2002	1-12/2002
	34,495	23,120	29,407

NUMBER OF EMPLOYEES

	30/6/2003	30/6/2002	31/12/2002
KONE Elevators & Escalators	23,613	23,290	23,317
KONE Materials Handling	11,122		12,547
Total	34,735	23,290	35,864



SALES BY MARKET AREA (MEUR)

KONE Corporation

	1-6/2003	%	1-6/2002	%	1-12/2002	%
Europe	1,661.6	66	821.8	60	2,715.4	63
North America	490.5	20	416.0	30	1,059.3	24
Asia Pacific	212.5	8	125.0	9	391.7	9
Others	139.0	6	14.8	1	175.4	4
Total	2,503.6		1,377.6		4,341.8	

KONE Elevators & Escalators

	1-6/2003	%	1-6/2002	%	1-12/2002	%
Europe	840.5	68	821.8	60	1,798.1	60
North America	274.8	22	416.0	30	851.1	29
Asia Pacific	119.6	10	125.0	9	292.2	10
Others	2.9	0	14.8	1	28.7	1
Total	1,237.8		1,377.6		2,970.1	

KONE Materials Handling

	1-6/2003	%	1-6/2002	%	7-12/2002	%
Europe	821.1	65			917.3	67
North America	215.7	17			208.2	15
Asia Pacific	92.9	7			99.5	7
Others	136.1	11			146.7	11
Total	1,265.8				1,371.7	

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENT (MEUR)

Contingent liabilities and pledged assets	30/6/2003	30/6/2002	31/12/2002
Assets pledged to secure loans	20.4	7.6	26.4
Pledged assets	14.7	20.4	22.7
Guarantees			
Associated companies	4.7	2.1	4.1
Others	68.0	2.3	19.6
Leasing liabilities	134.3	109.9	178.2
Other contingent liabilities	95.8	0.0	111.4
Total	337.9	142.3	362.4

Guarantees for others include MEUR 28.0 (Dec. 31, 2002 MEUR 10.3) customer finance arrangements where the sold machines form security, and other contingent liabilities include repurchase commitments for sold products to a value of MEUR 60.2 (Dec. 31, 2002 MEUR 71.7).

Derivatives	30/6/2003	30/6/2002	31/12/2002
Forward contracts	1,005.2	351.0	983.9
Currency options	119.3	256.5	83.2
Currency swaps	173.8	153.8	153.8
Interest rate swaps	272.6	0.0	276.6
Total	1,570.9	761.3	1,497.5



QUARTERLY FIGURES

KONE Corporation

		Q2/2003	Q1/2003	Q4/2002	Q3/2002	Q2/2002	Q1/2002
Orders received	MEUR	1,161.3	1,155.3	1,161.7	991.5	607.6	500.2
Order book	MEUR	2,472.1	2,416.5	2,239.5	2,454.1	1,956.5	1,994.8
Sales	MEUR	1,356.9	1,146.7	1,661.3	1,302.9	746.6	631.0
Operating income before goodwill amortization (EBITA)	MEUR	108.3	69.3	115.8	107.1	72.3	45.0
Operating income before goodwill amortization (EBITA)	%	8.0	6.0	7.0	8.2	9.7	7.1

KONE Elevators & Escalators

		Q2/2003	Q1/2003	Q4/2002	Q3/2002	Q2/2002	Q1/2002
Orders received	MEUR	515.5	502.8	530.2	490.6	607.6	500.2
Order book	MEUR	1,950.9	1,890.2	1,791.8	1,983.9	1,956.5	1,994.8
Sales	MEUR	674.7	563.1	911.1	681.4	746.6	631.0
Operating income before goodwill amortization (EBITA)	MEUR	69.9	47.6	92.0	77.7	72.3	45.0
Operating income before goodwill amortization (EBITA)	%	10.4	8.5	10.1	11.4	9.7	7.1

KONE Materials Handling

		Q2/2003	Q1/2003	Q4/2002	Q3/2002	Q2/2002	Q1/2002
Orders received	MEUR	645.8	652.5	631.5	500.9		
Order book	MEUR	521.2	526.3	447.7	470.2		
Sales	MEUR	682.2	583.6	750.2	621.5		
Operating income before goodwill amortization (EBITA)	MEUR	44.9	22.2	34.8	29.4		
Operating income before goodwill amortization (EBITA)	%	6.6	3.8	4.6	4.7		

SHARES AND SHAREHOLDERS

June 30, 2003	A shares	B shares	Total
Number of shares	9,526,089	53,937,531	63,463,620
Share capital, MEUR			63.5
Market capitalization, MEUR	348	1,938	2,286
Number of shares traded, 1-6/2003		16,363,645	
Value of shares traded, MEUR, 1-6/2003		501	
Number of shareholders	3	8,715	8,718
	Close	High	Low
Class B share price, EUR, 1-6/2003	36.21	36.95	26.70

From the beginning of the year KONE's share price rose by 25 percent to the end of June.