The background of the slide is a photograph of a modern office hallway. On the left, there is a dark, paneled wall with several elevator doors. A woman in a light-colored, shimmering cape and a man in a dark suit are standing in the middle of the hallway, facing each other and talking. To the right, another woman in a dark, pinstriped suit is walking away from the camera. The floor is highly reflective, showing clear reflections of the people and the ceiling lights.

KONE Capital Markets Day 2008

KONE Central and North Europe

Noud Veeger

Executive Vice President, Area Director Central & North Europe

Long-term profitable growth opportunities in Central & North Europe through



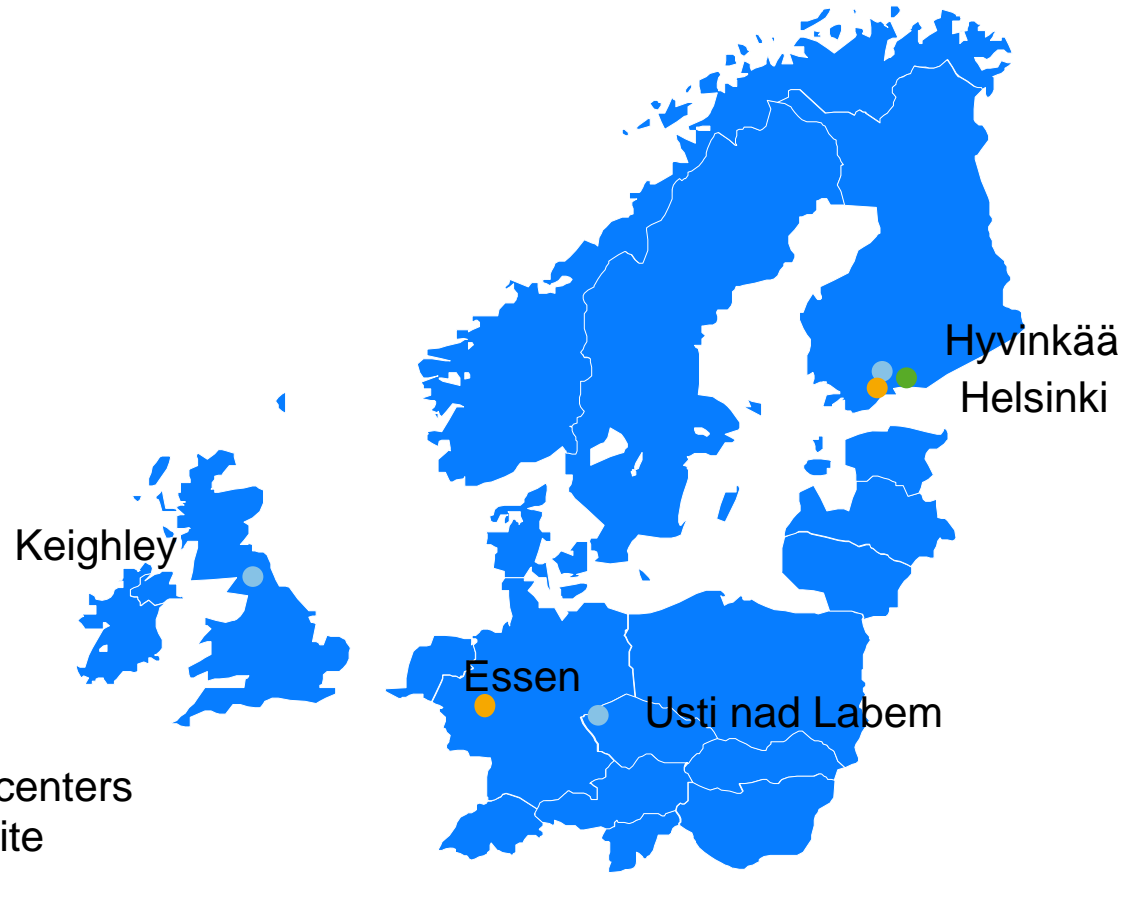
- Urbanization
- Modernization
- New equipment leadership driving service market share

Agenda

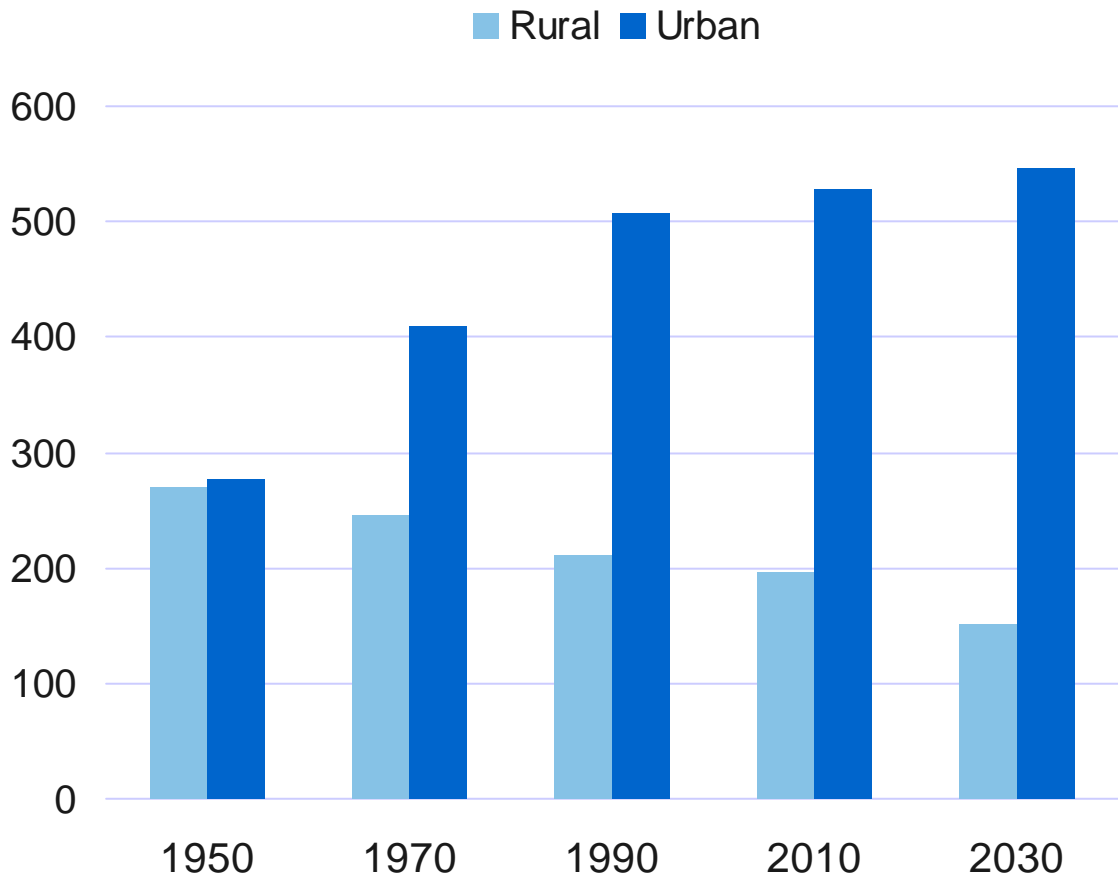


- Central and North Europe markets and KONE's position
- Key development actions
- Long-term profitable growth opportunities

The Central and North Europe markets



Europe – growing dynamics between cities

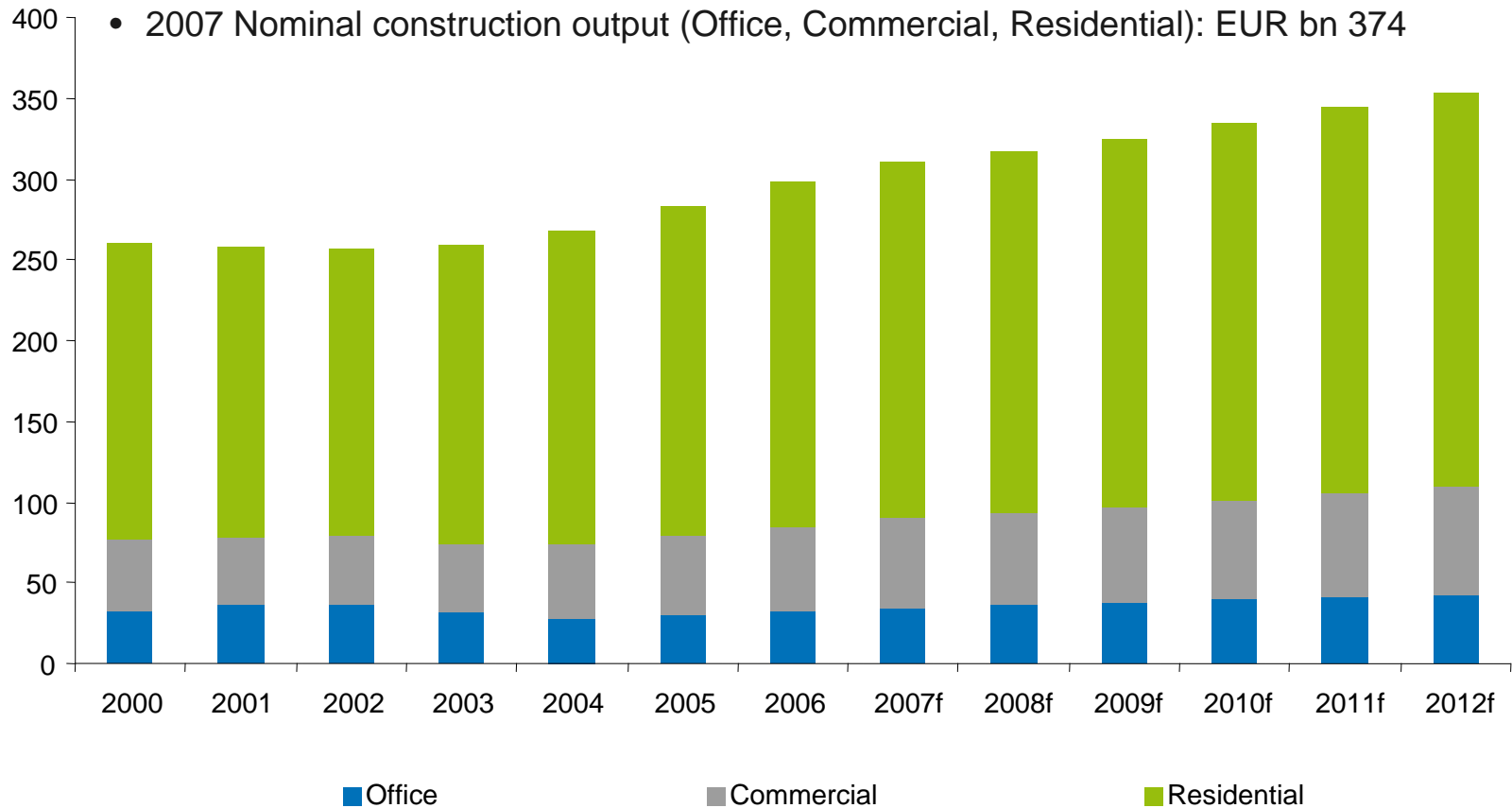


Source: U.N. World Urbanisation Prospects 2007

Construction market development 2000-2012 in Central and North Europe



Office, commercial and residential construction activity, real EUR bn



Source: Global Insight, Feb 2008

NOTE: The figures presented in the graph are real bn EUR figures, converted from USD 2000 real figures using recent conversion rates

Markets in Central and North Europe

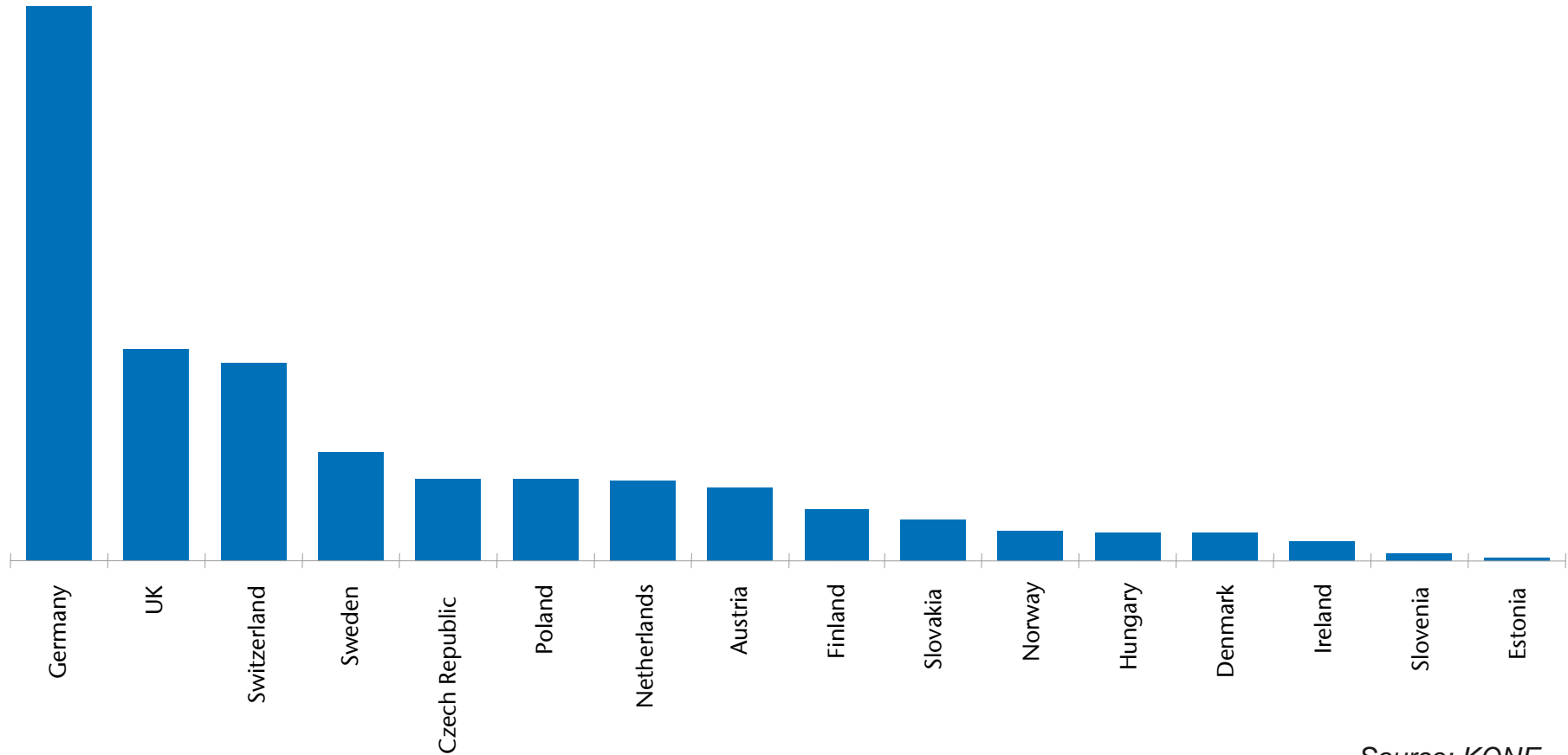
Total new equipment market size in 2007, elevators + escalators



Source: KONE

Markets in Central and North Europe

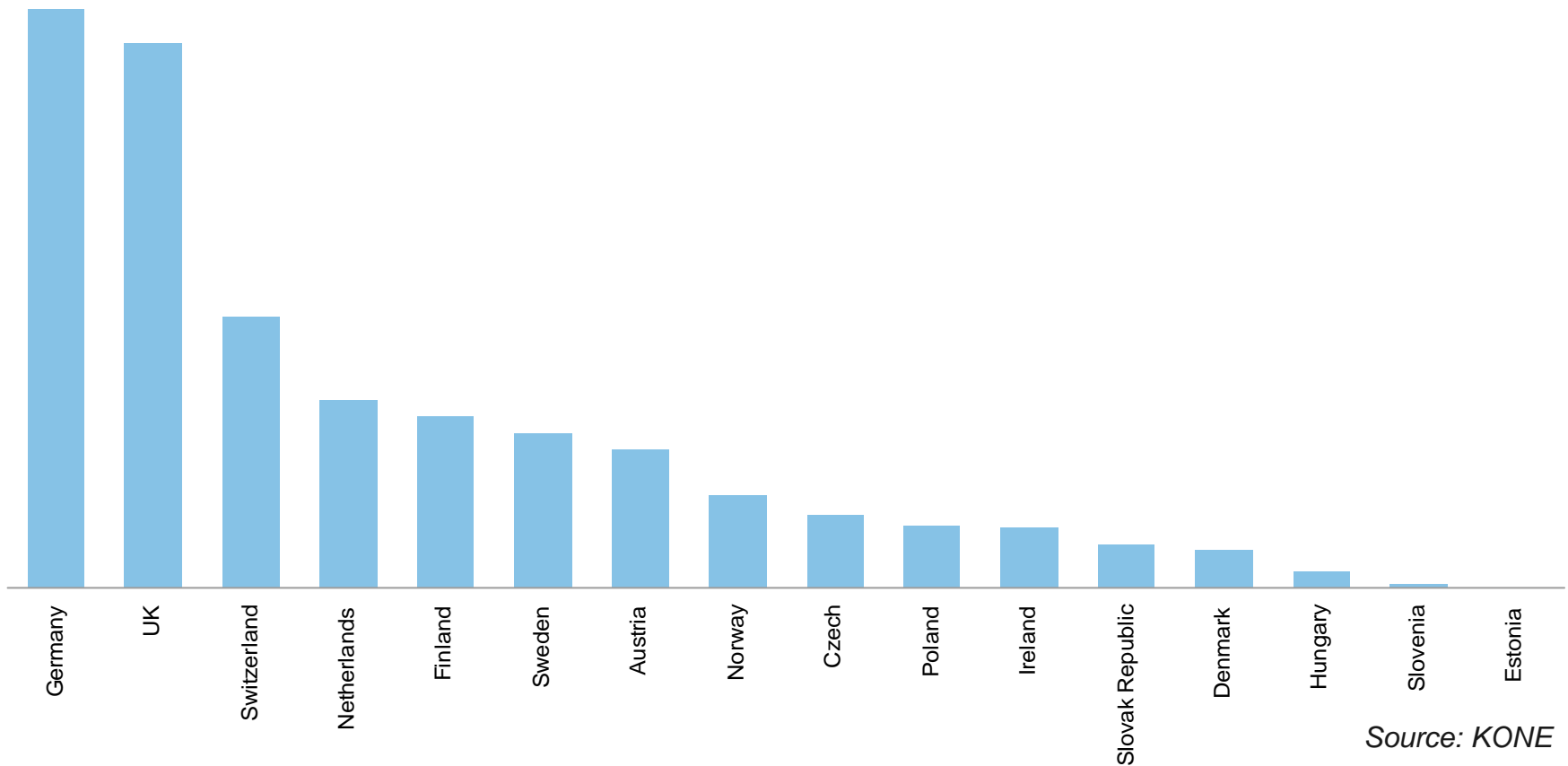
Total elevators in service in units (LIS) in 2007



Source: KONE

Markets in Central and North Europe

Total Modernization market size 2007, elevators & escalators



Source: KONE



Key development actions

KONE development actions - Customer Focus



- CRM process implementation
- Sales force training
- E-business
- Increasing equipment in service
- Care-for-Life process

KONE development actions - Operational Excellence

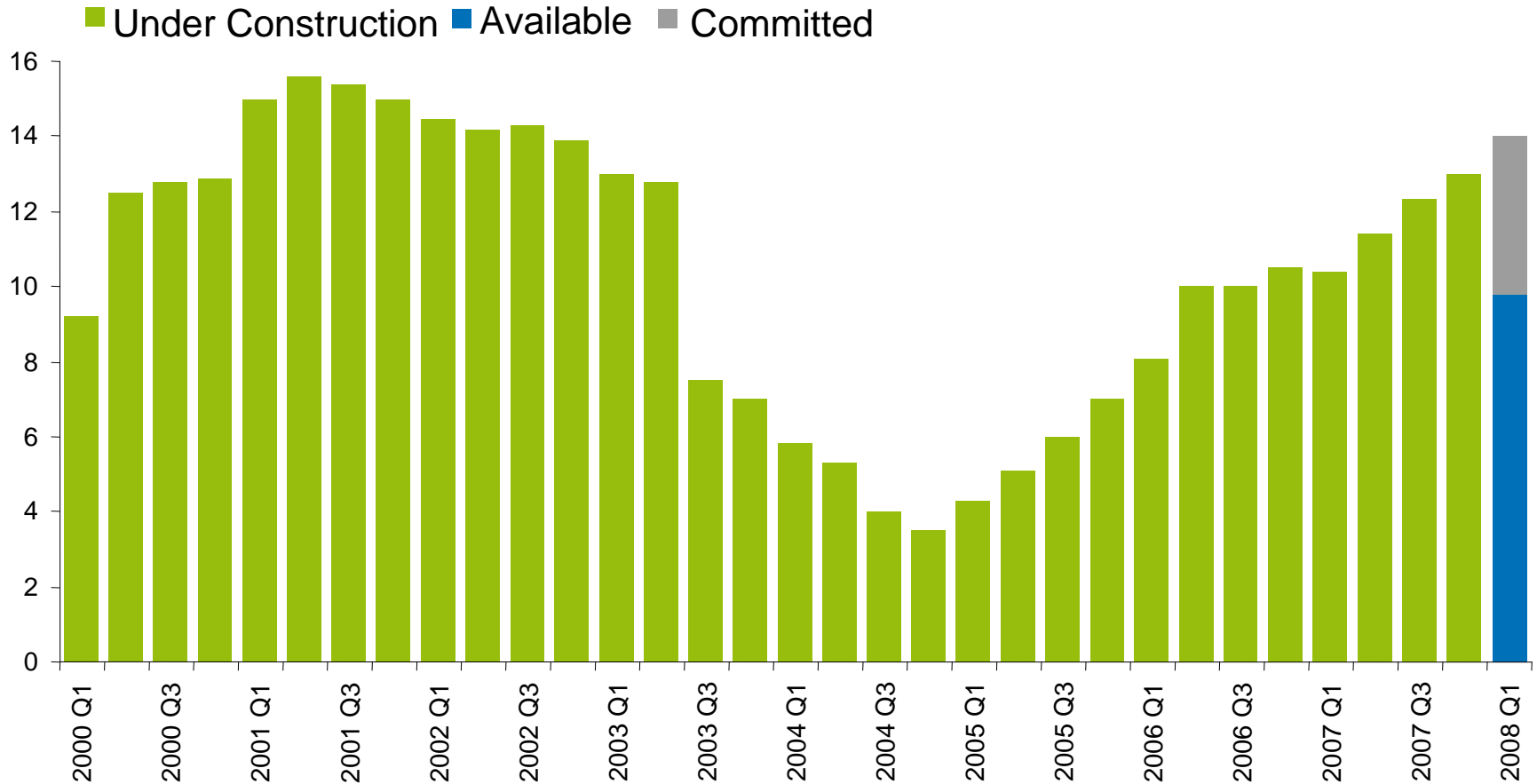


- Modular based maintenance
- Installation productivity
- Supply chain control
- Reduction of callouts
- Continuous fixed cost discipline



- Strong position in new equipment since the introduction of KONE MonoSpace®, the world's first machine-room-less elevator
- Design
 - KONE Deco™
 - KONE FourSeasons™ concept
- Modernization
 - KONE MaxiSpace™
 - KONE ReGenerate™
- Double-deck elevators
- KONE Polaris™

Central London offices under construction



Source: CB Richard Ellis, Central London Offices, Q1 2008

London - KONE is at the Heart of Change



DEBENHAMS



*John Lewis
Partnership*

BARCLAYS



Sainsbury's





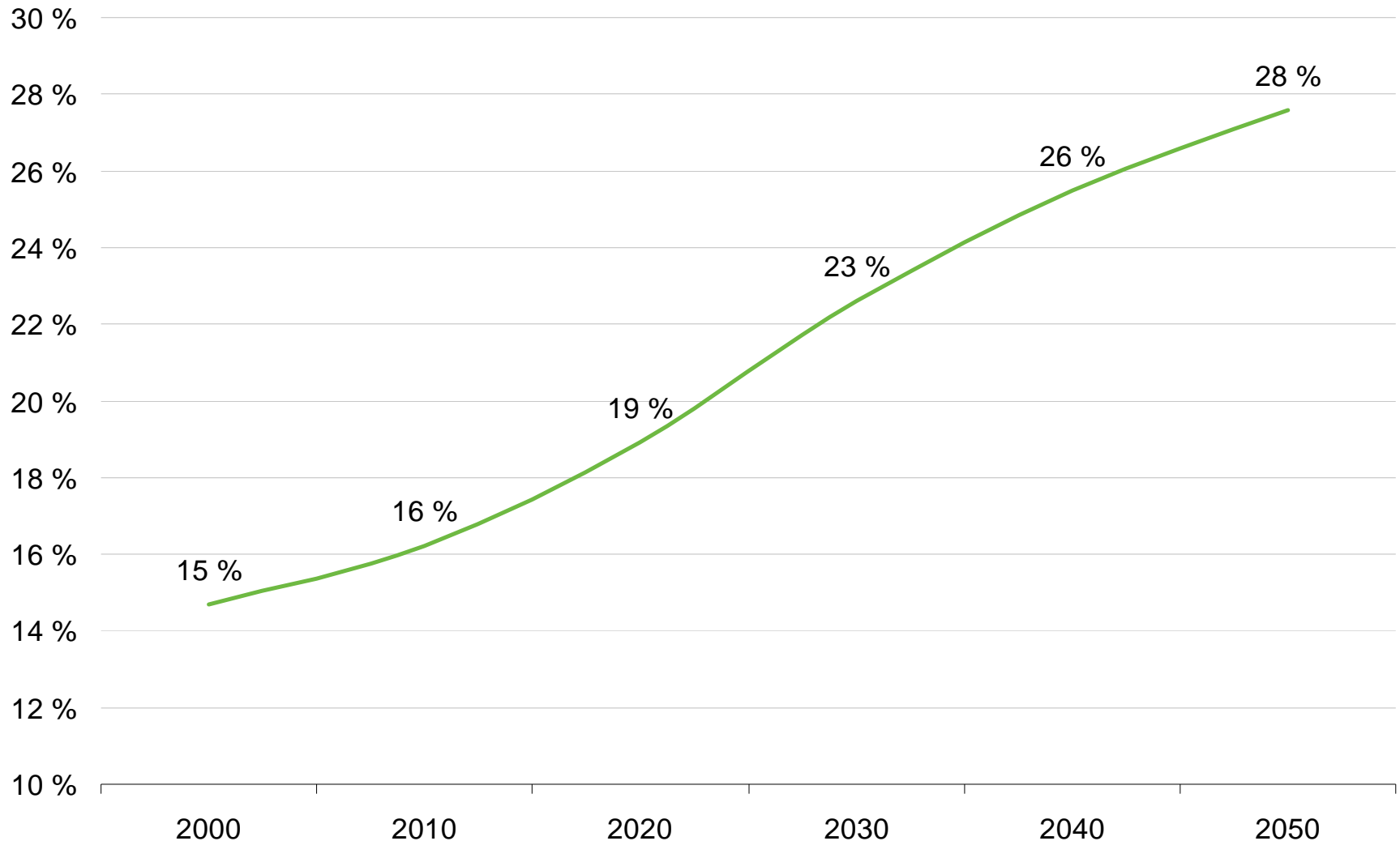
Long-term profitable growth opportunities

Modernization market

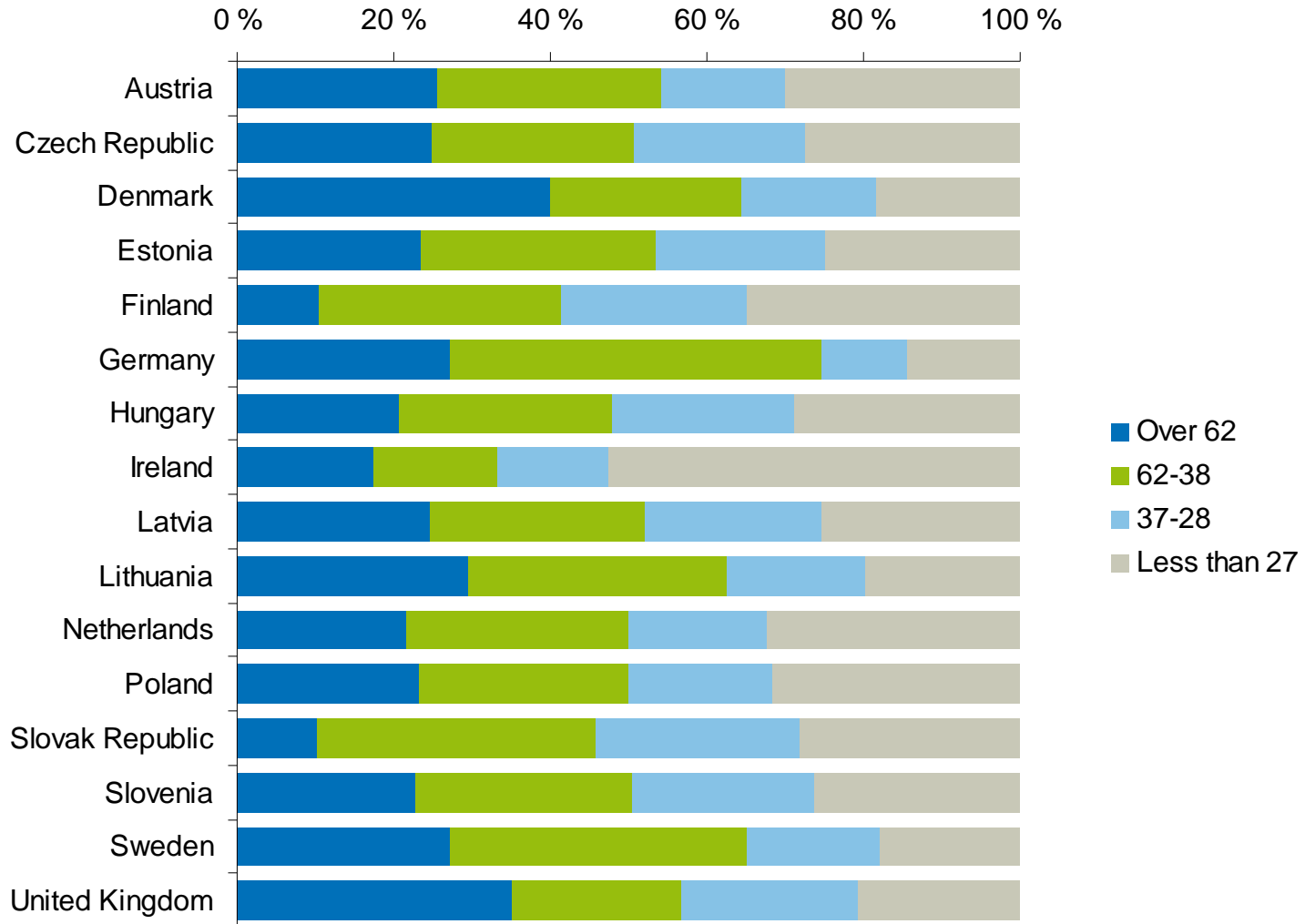


- Population getting older
- Buildings getting older
- Legislation for safety of existing lifts

Percentage of population aged 65 or older in Western Europe

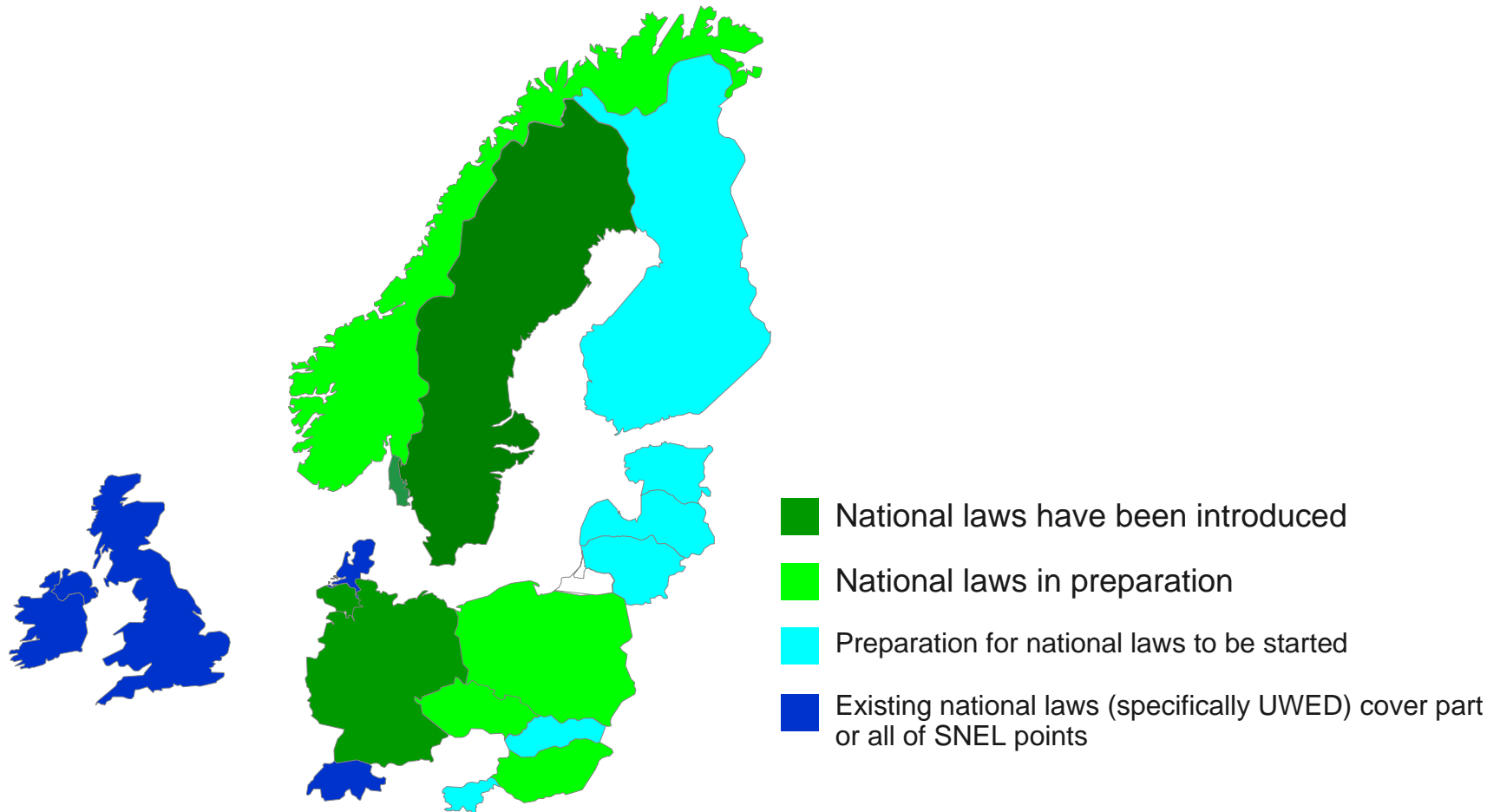


Age distribution of the construction base in Central and North Europe



Source: Housing Statistics in the European Union 2005/2006
 © Ministry of Infrastructure of the Italian Republic, Federcasa

SNEL overview of National Legislations in Central and North Europe



Eastern Europe

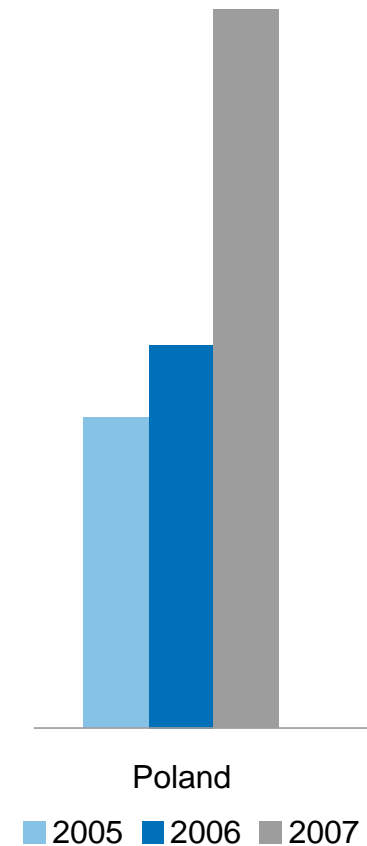


- Urbanization
- Increasing standard of living
- Safety legislation

Eastern Europe – Case Poland



New Elevator Business Market Size in Units



Source: KONE

Long-term profitable growth opportunities in Central & North Europe through



- Urbanization
- Modernization
- New equipment leadership driving service market share

www.kone.com

