

The background of the slide features a modern, dark-toned interior with a glass-enclosed escalator in the foreground and an open elevator shaft in the background. The elevator shaft has a blue-tinted glass door and a small digital display above it showing the number "9".

KONE CMD 2013

Active development of our offering and processes

Heikki Leppänen, Executive Vice President, New Equipment Business
September 24, 2013

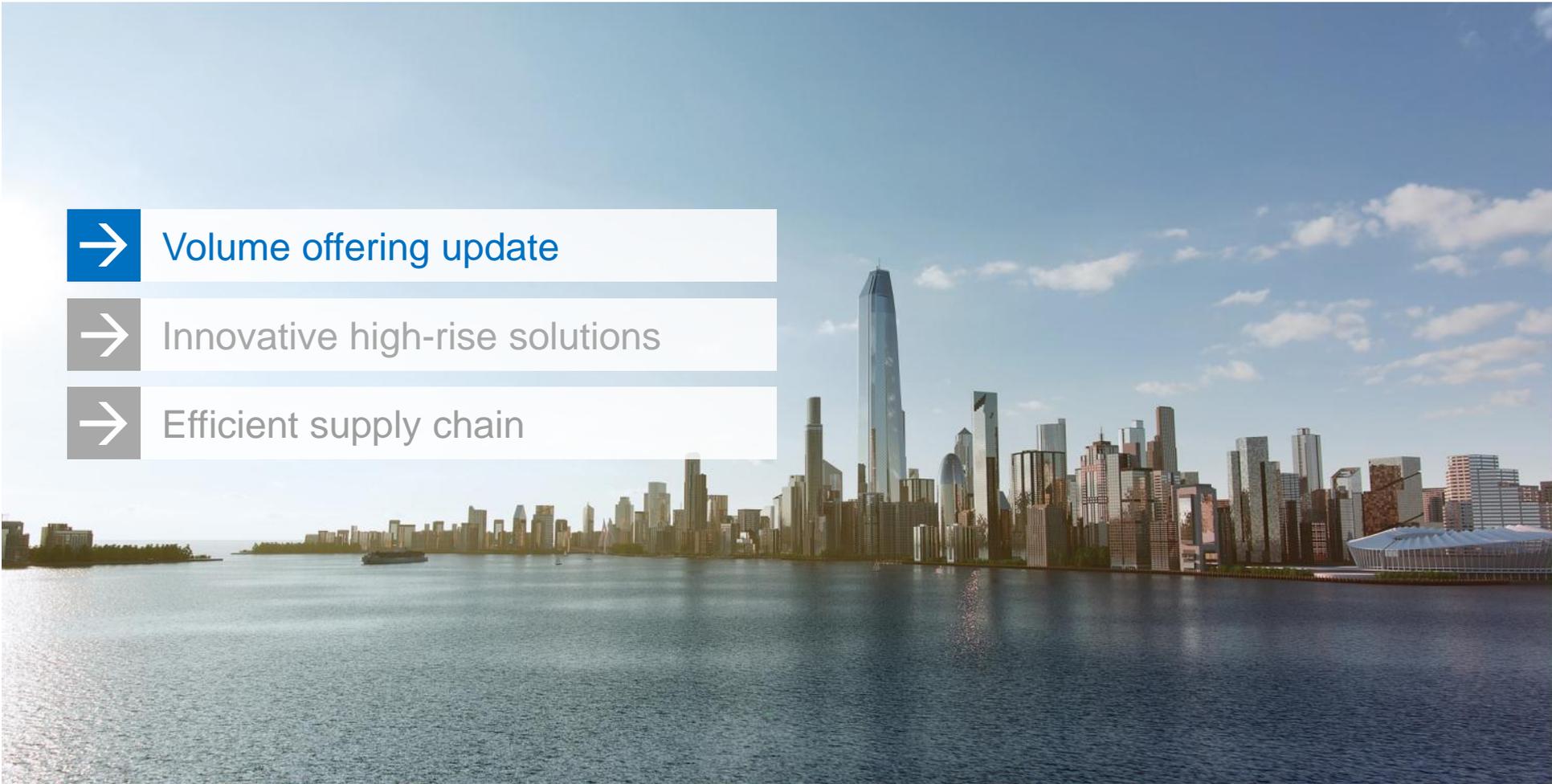
Agenda



→ Volume offering update

→ Innovative high-rise solutions

→ Efficient supply chain



The roll-out of our new global volume elevator offering has progressed well



Roll-out carried out in Europe and Asia-Pacific, North America to follow

- Europe and Asia-Pacific: Launched in 9/2012, ramp up of tender and order volumes progressing well
- North America: Launched in Mexico; United States and Canada to follow in 2014

Very positive customer reactions

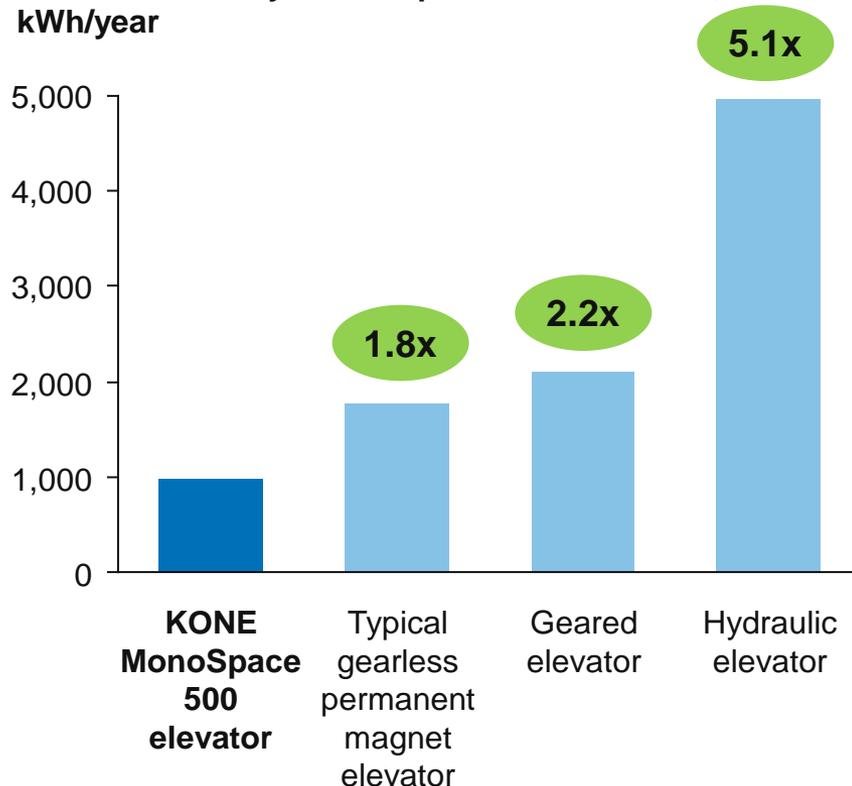
- Eco-efficiency on a clearly higher level
- Demanding ride comfort targets have been reached
- Enhanced visual design

The industry-leading energy-efficiency of our solutions enables cost savings for the customer



MonoSpace 500

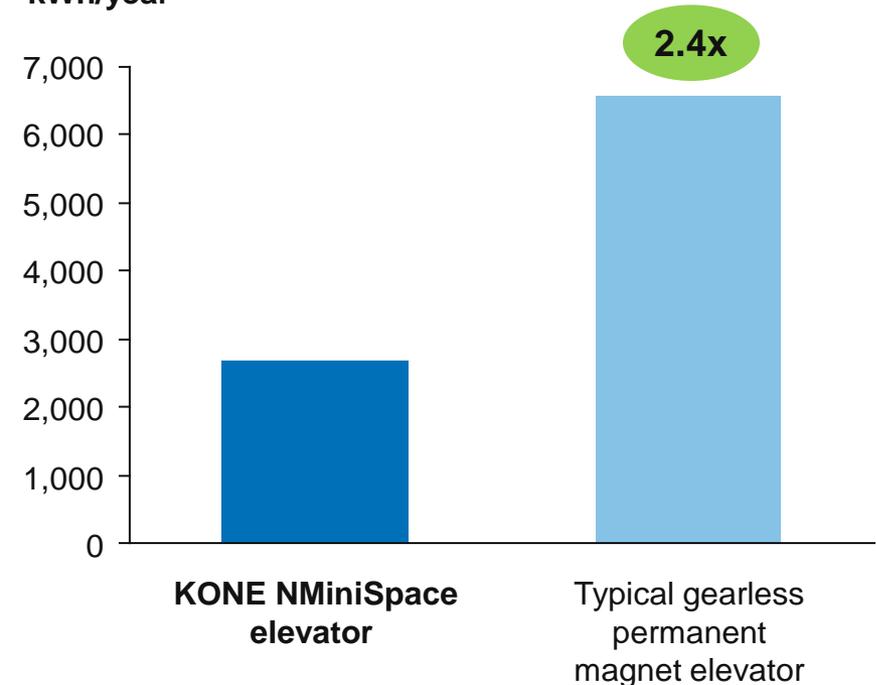
Annual electricity consumption of an elevator, kWh/year



Specifications:
1 m/s, load 630 kg, 150,000 starts/year, travel height 12m and 5 floors.

N MiniSpace

Annual electricity consumption of an elevator, kWh/year

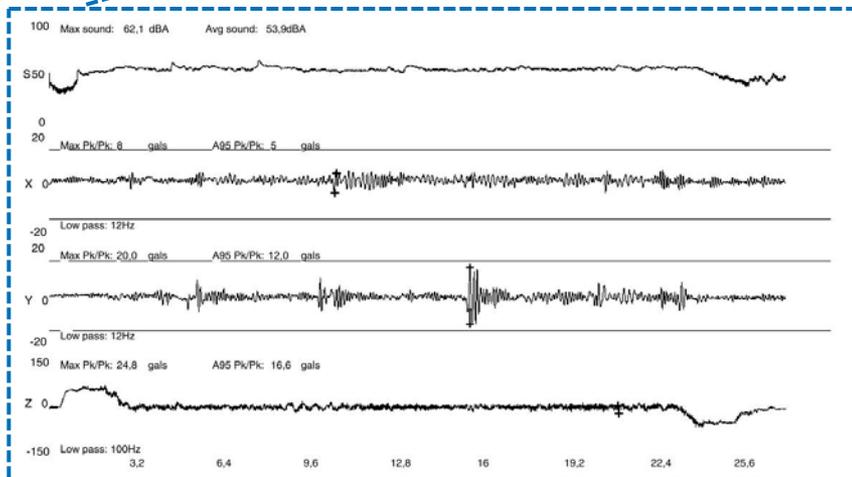


Specifications:
1.75 m/s, load 1000 kg, 250,000 starts/year, travel height 60m and 18 floors.

Smooth ride comfort and award-winning design enhance customer experience



Ride comfort on a very good level



External recognitions on design

- Iconic Awards 2013 winner
 - Design collection
 - New elevator cars
 - Signalization
- Reddot design awards 2012
 - Awarded for signalization
 - Honorary mentions for design offering and elevator cars



New volume elevator offering improves the productivity of our processes while increasing customer benefits



Manufacturing costs

- Improved product range coverage with one platform
- Modularity and standardized high volume components
- Better component quality control

Process costs

- Broader pre-engineered offering covering different customer groups and needs
- Enhanced process quality
 - Better process variations control
 - Better installation process quality

Life-cycle costs to customer

Customer benefits from improved:

- Energy efficiency
- Space efficiency
- Ride comfort
- Visual design

We continue to actively develop the competitiveness of our escalator offering



Best in class eco-efficiency

That cuts the
carbon footprint
of your building

Peace of mind

With the latest
safety technology

High quality
visual design
For the best
passenger experience



Energy costs form a major part of escalator lifetime costs – KONE solutions for eco-efficiency

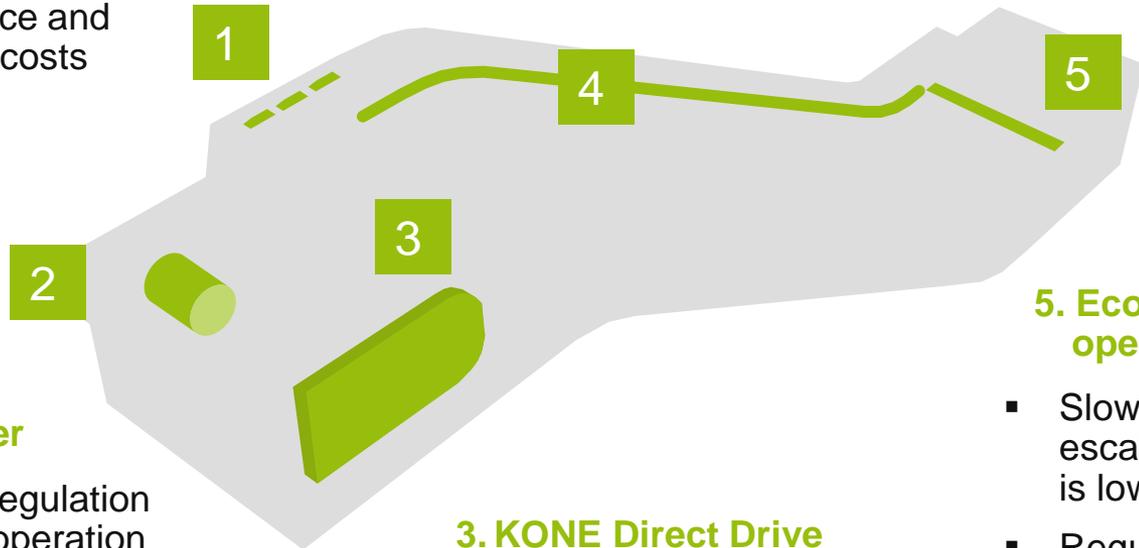


1. KONE direct handrail drive

- Up to 8% more energy efficient
- Longer life time for handrail
- Less maintenance and lower operating costs

4. Long-lasting LED lighting

- 80% more efficient than halogen lighting
- Lasts 10 times longer



2. New energy efficient inverter

- Smooth speed regulation during standby operation
- Minimizes energy consumption at full speed

3. KONE Direct Drive

- Up to 20% more energy efficient
- Chainless design
- Direct connection to the main shaft

5. Eco-efficient operational modes

- Slow down / stop the escalator when traffic is low
- Regulates needed energy current based on load situations

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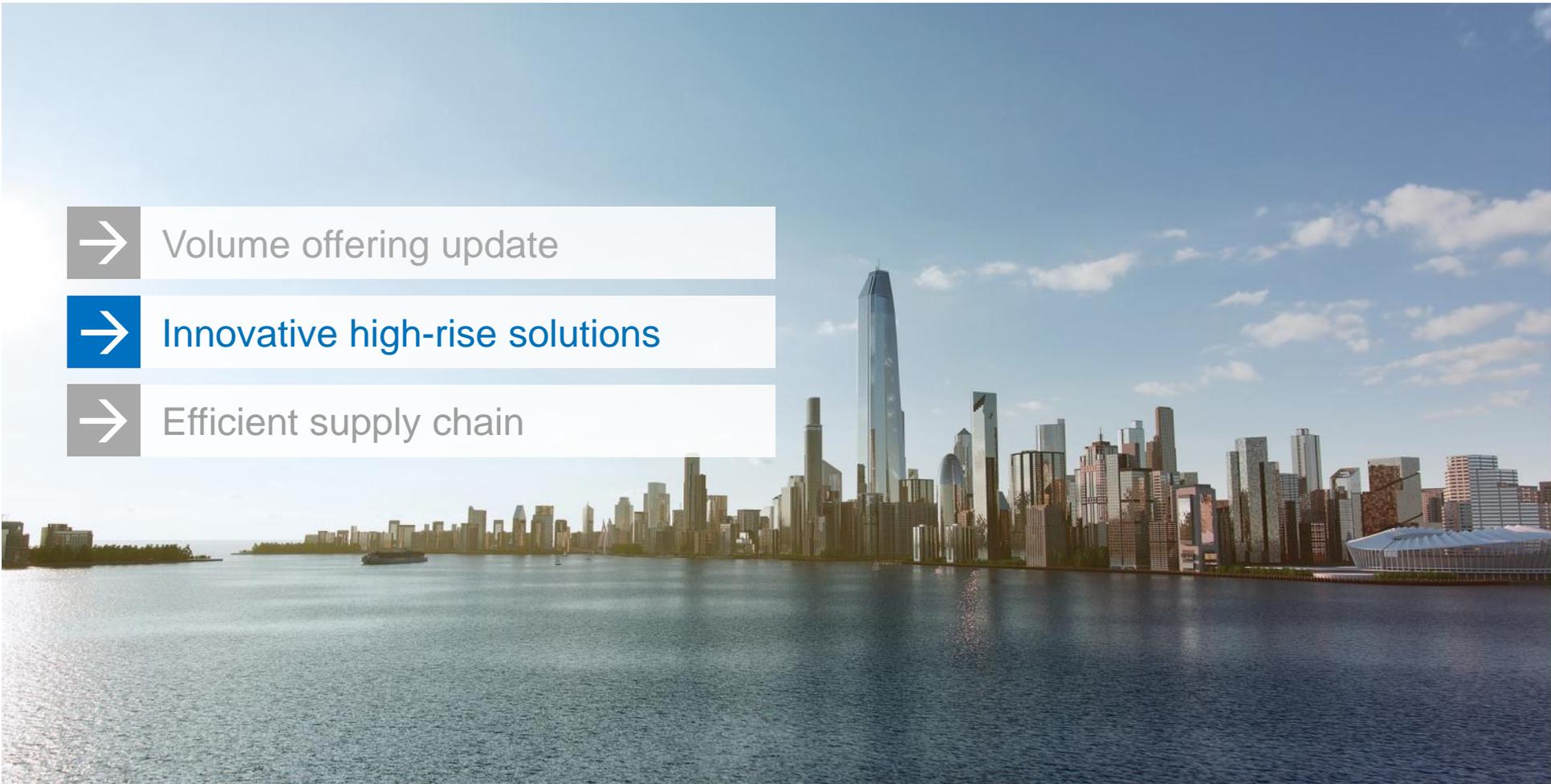
Volume offering update

A white arrow icon pointing to the right, set against a blue background.

Innovative high-rise solutions

A white arrow icon pointing to the right, set against a dark grey background.

Efficient supply chain



The high-rise building market is constantly developing



Development of high-rise buildings

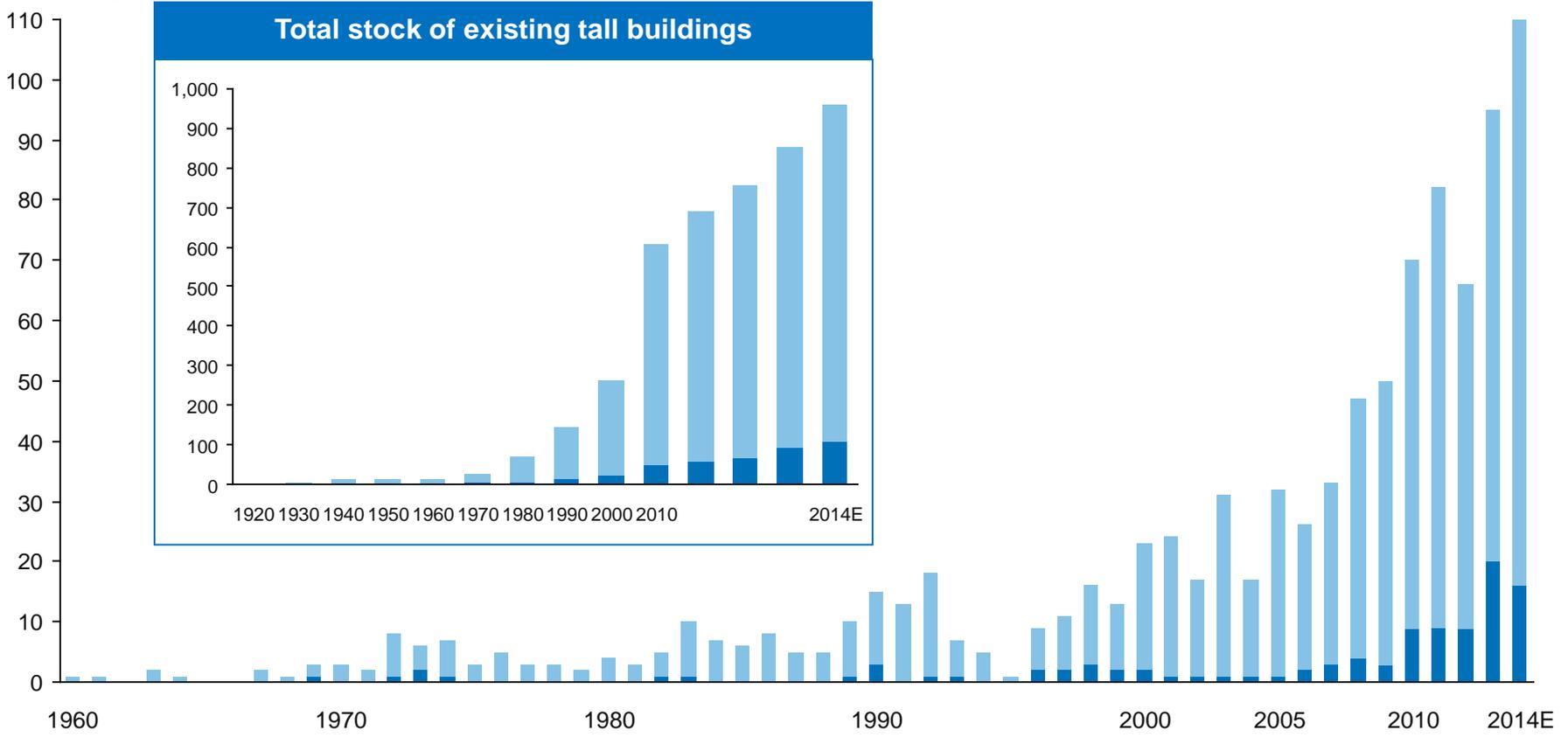
- An increase in height
 - An increase in number
 - A change in building function
- ➔ Elevator technology has an essential role in this development

High-rise building trend: an increase in number and height



Flow of new high-rise building completions by year

Nr of buildings



200 m+ buildings
300 m+ buildings

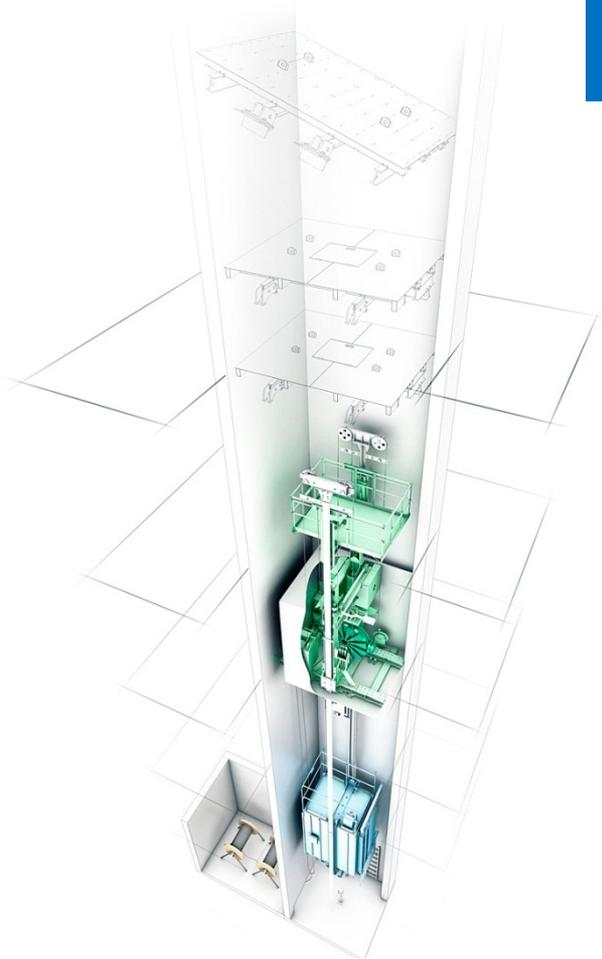
Source: CTBUH
Note: Figures for 2013 and 2014 are projections

KONE's competitiveness in high-rise is based on innovations and unique service



KONE capabilities in high-rise elevators

- Innovations and technology
 - UltraRope™
 - JumpLift
- Major project services
 - Complex projects require specialist expertise
 - Strong project management and flexible delivery capabilities
- Design and planning
 - People Flow analysis



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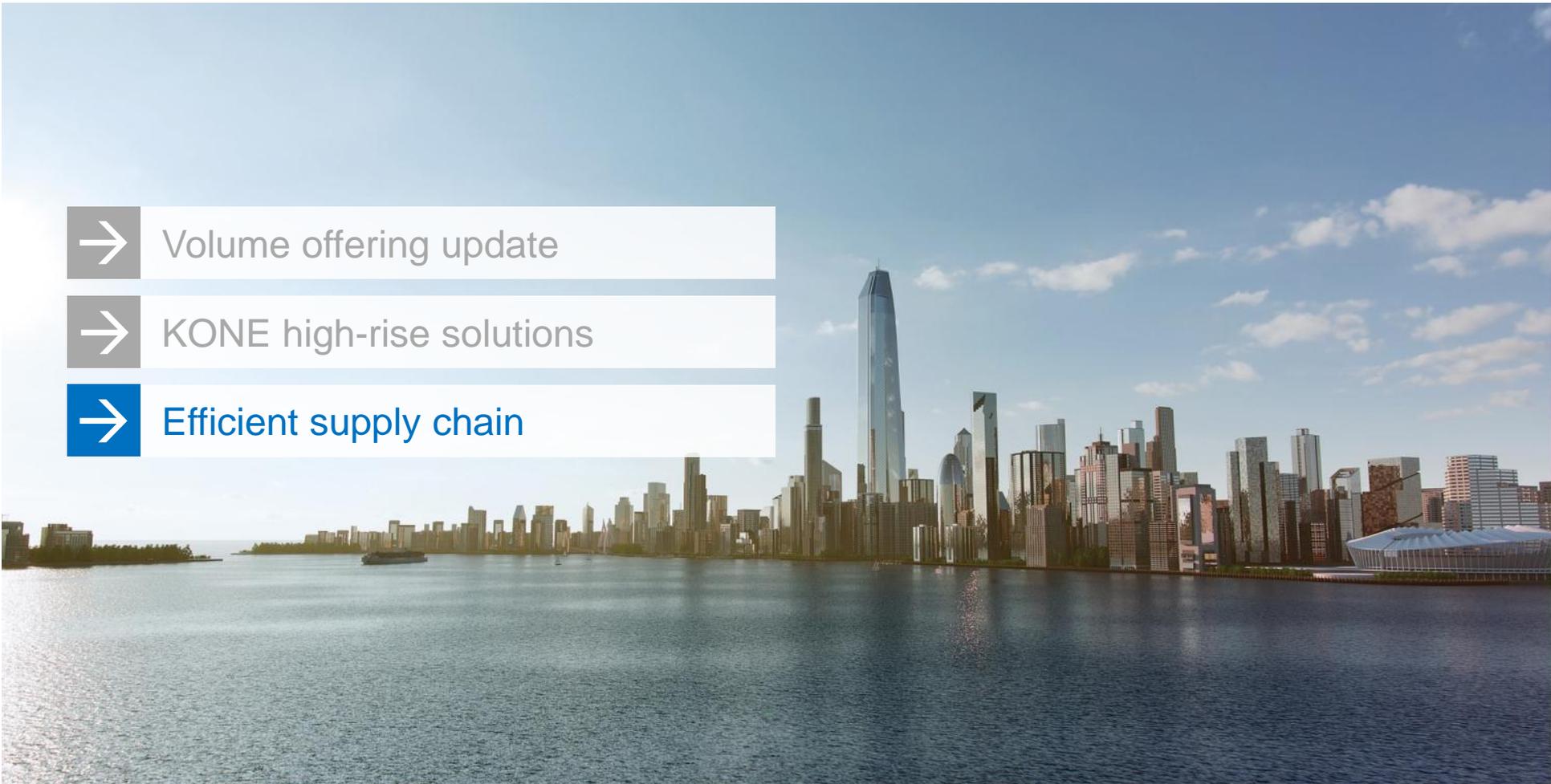
Volume offering update

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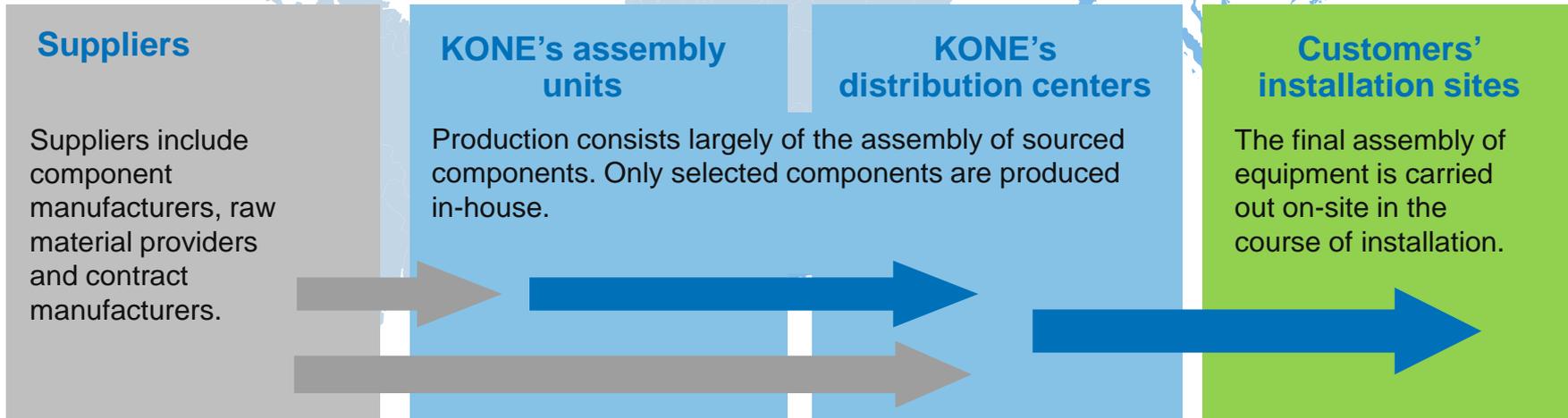
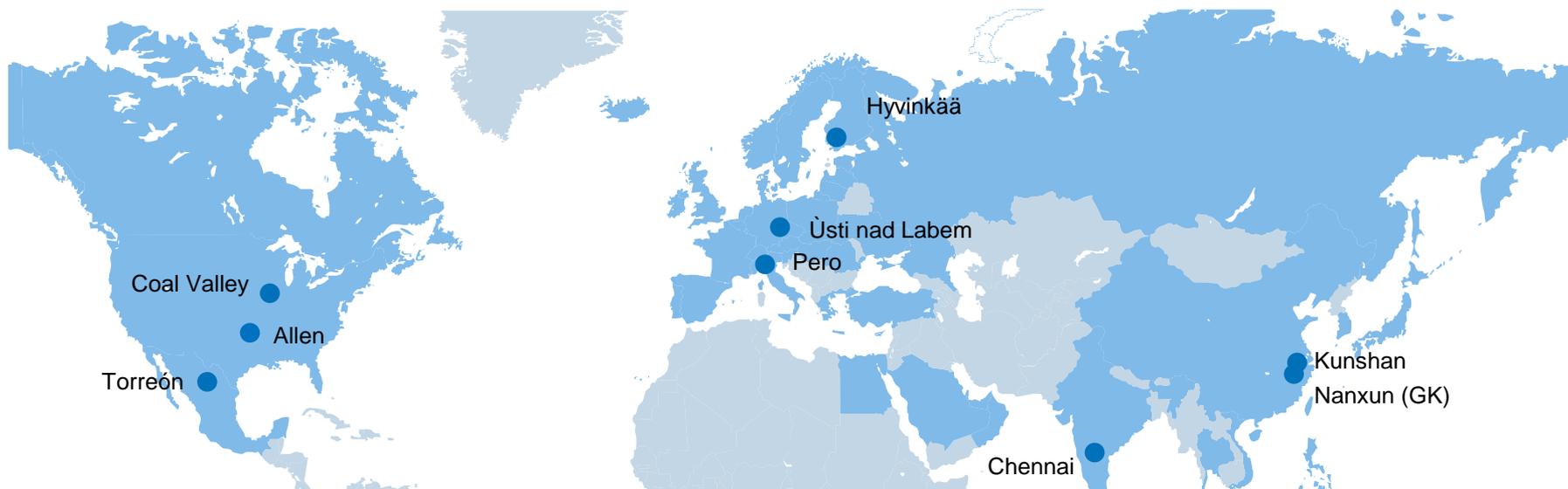
KONE high-rise solutions

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Efficient supply chain



A streamlined network of production and distribution centers, focusing on assembly



Only a few selected elevator components and escalators are manufactured at KONE factories



Elevator components

Escalators

Cars

Doors

Motors

Control systems



- Efficient supplier network around production facilities
- Approx. 100 strategic suppliers, close cooperation

KONE has strong engineering, supply, R&D and major project competences in Kunshan



The Kunshan facility is a competence center employing over 2,000 people



1. Test tower

Under construction, to be completed in 2014

2. Offices

- R&D
- Major projects
- Sourcing & quality

3. Electrification factory

4. Escalator factory

5. Car factory

6. Motor factory

We will relocate and expand our production and R&D facilities in Chennai, India



Capacity expansion to meet growing demand

- Current factory at the end of its lifecycle and running out of production space
- Project begins in 2014, facility estimated to be operational in 2015
- In-house production will be streamlined to focused component range in line with KONE's global solutions



We work actively to improve the quality and productivity of our delivery chain



- Improved quality control systems (5S, Lean, 6-sigma, etc)
- Active supplier development
- Improved field productivity, capacity planning and site management



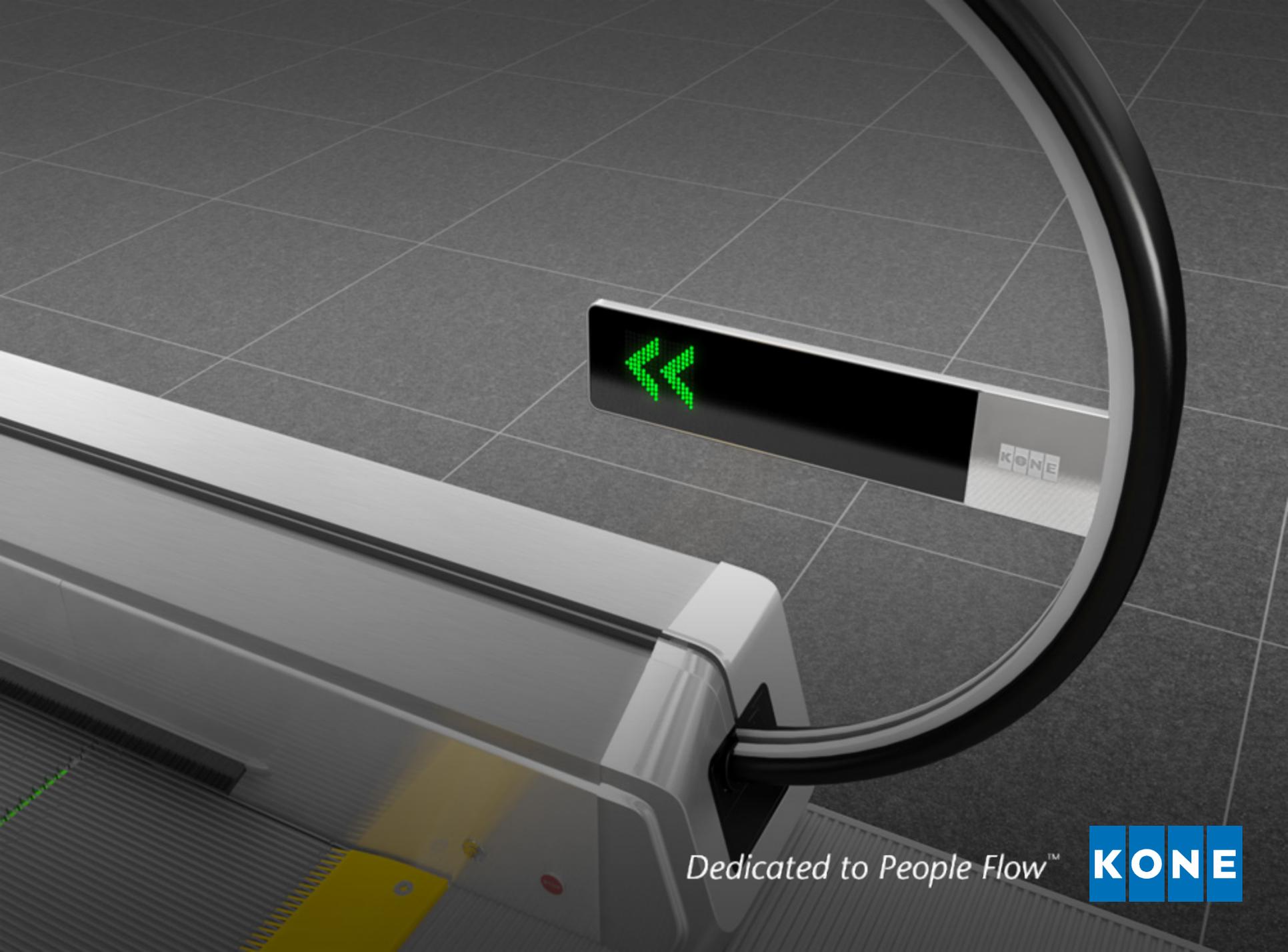
Improved
execution across
delivery chain

The continuous development of the quality of operations and capabilities enables improving customer loyalty



Creating value for the customer

- Competitive offering to meet customer needs and expectations and to create further value-add to customer
- High-performing sales and delivery processes and supporting systems
- Competent, responsive and customer-driven personnel



Dedicated to People Flow™

