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Q3

INTERIM REPORT JANUARY-SEPTEMBER 2007

October 23, 2007

Matti Alahuhta, President & CEO

Q3 REVIEW, 2007

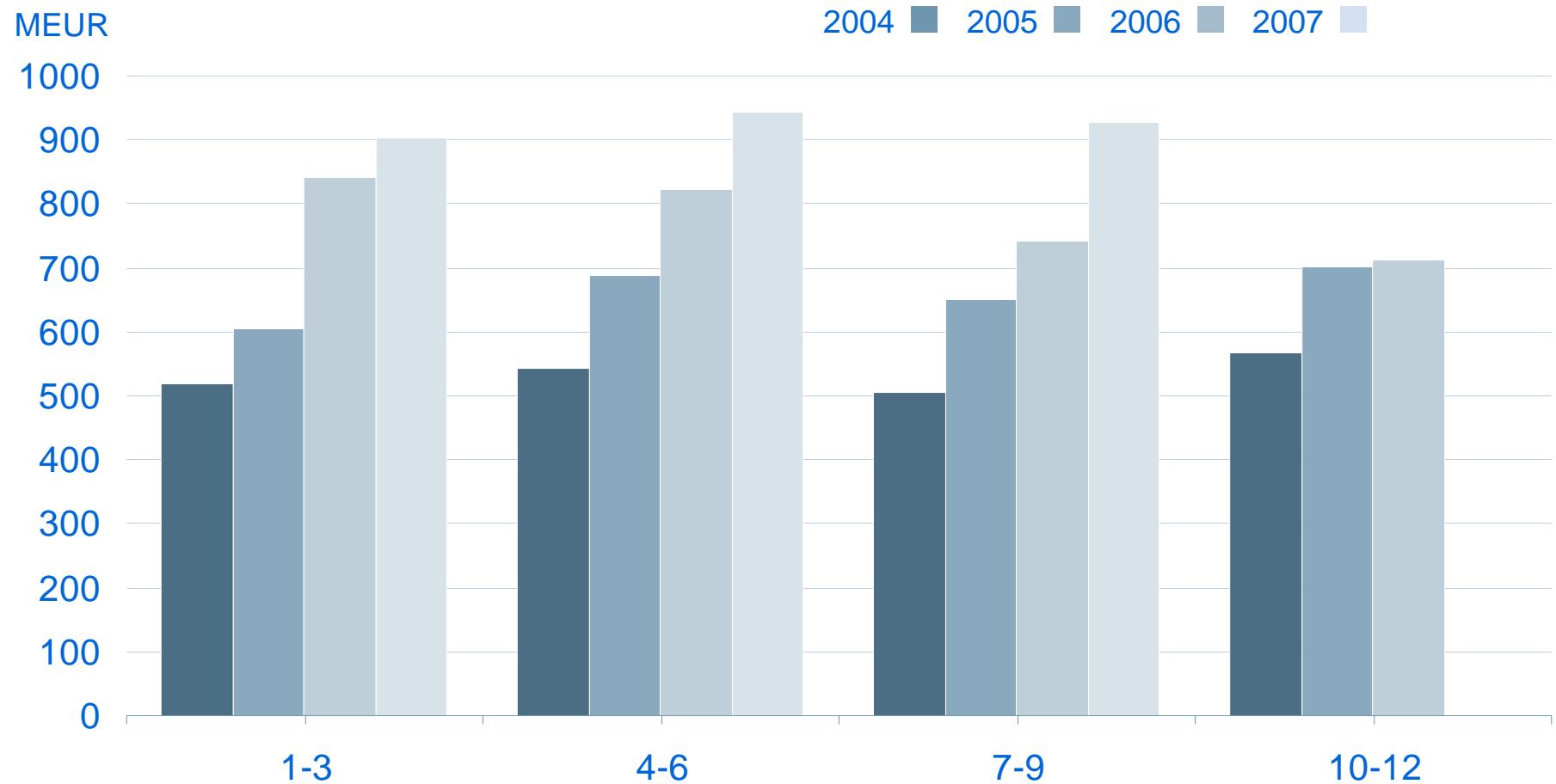
		7-9/2007	7-9/2006	change	2006
Orders received	MEUR	926.3	742.0	25%	3,116.3
Order book	MEUR	3,473.6	2,951.0	18%	2,762.1
Sales	MEUR	971.6	879.8	10%	3,600.8
Operating income	MEUR	126.7	101.1	25%	360.1
Operating income	%	13.0	11.5		10.0
Cash flow from operations (before financing items and taxes)	MEUR	158.7	127.4		371.7

JANUARY-SEPTEMBER REVIEW, 2007

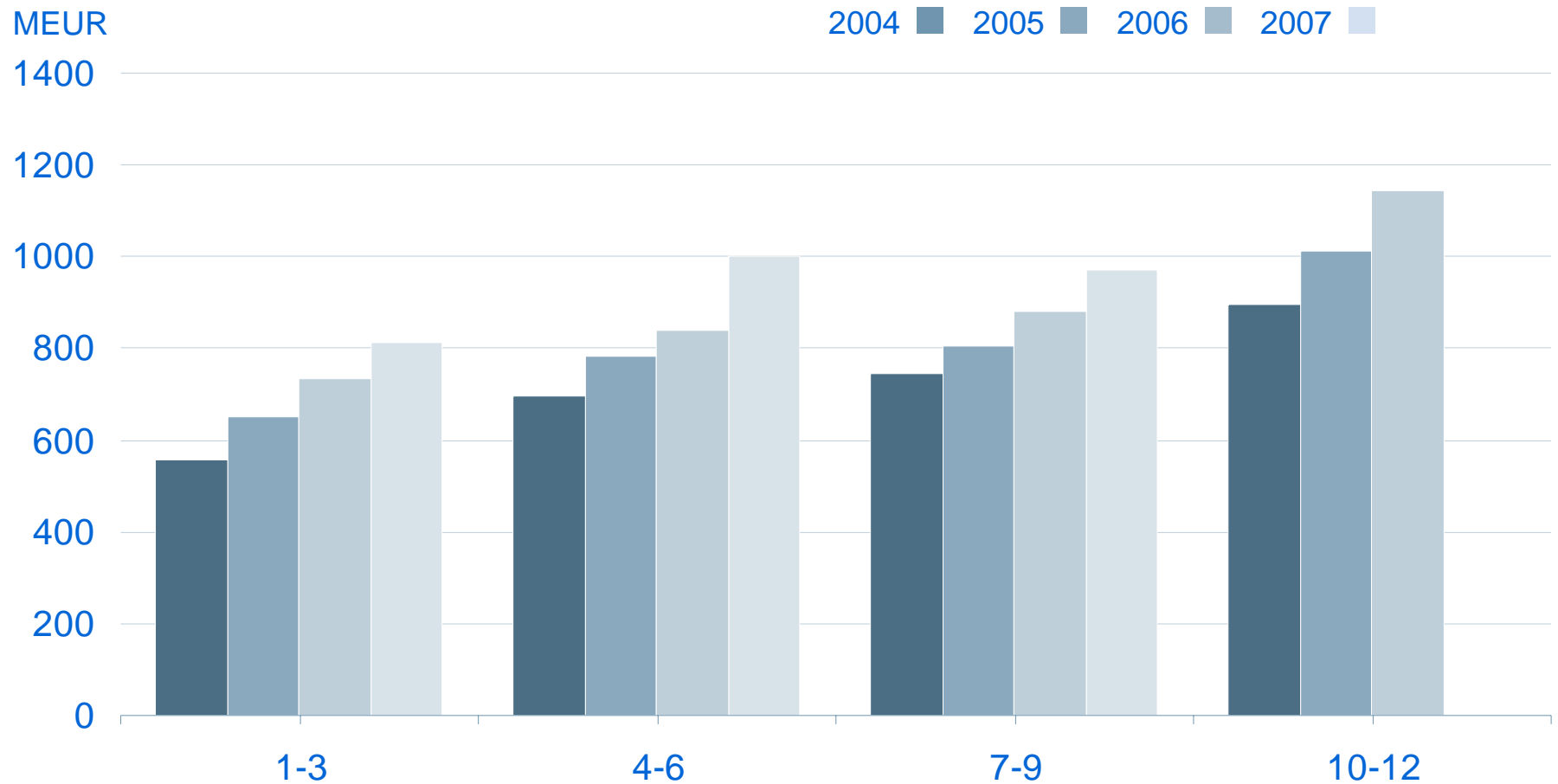
		1-9/2007	1-9/2006	change	2006
Orders received	MEUR	2,772.8	2,404.2	15%	3,116.3
Order book	MEUR	3,473.6	2,951.0	18%	2,762.1
Sales	MEUR	2,784.7	2,455.2	13%	3,600.8
Operating income	MEUR	312.4 ¹⁾	236.7	32%	360.1
Operating income	%	11.2 ¹⁾	9.6		10.0
Cash flow from operations (before financing items and taxes)	MEUR	264.0	274.0		371.7

¹⁾ Excluding the EUR 142.0 million fine for the European Commission's decision.

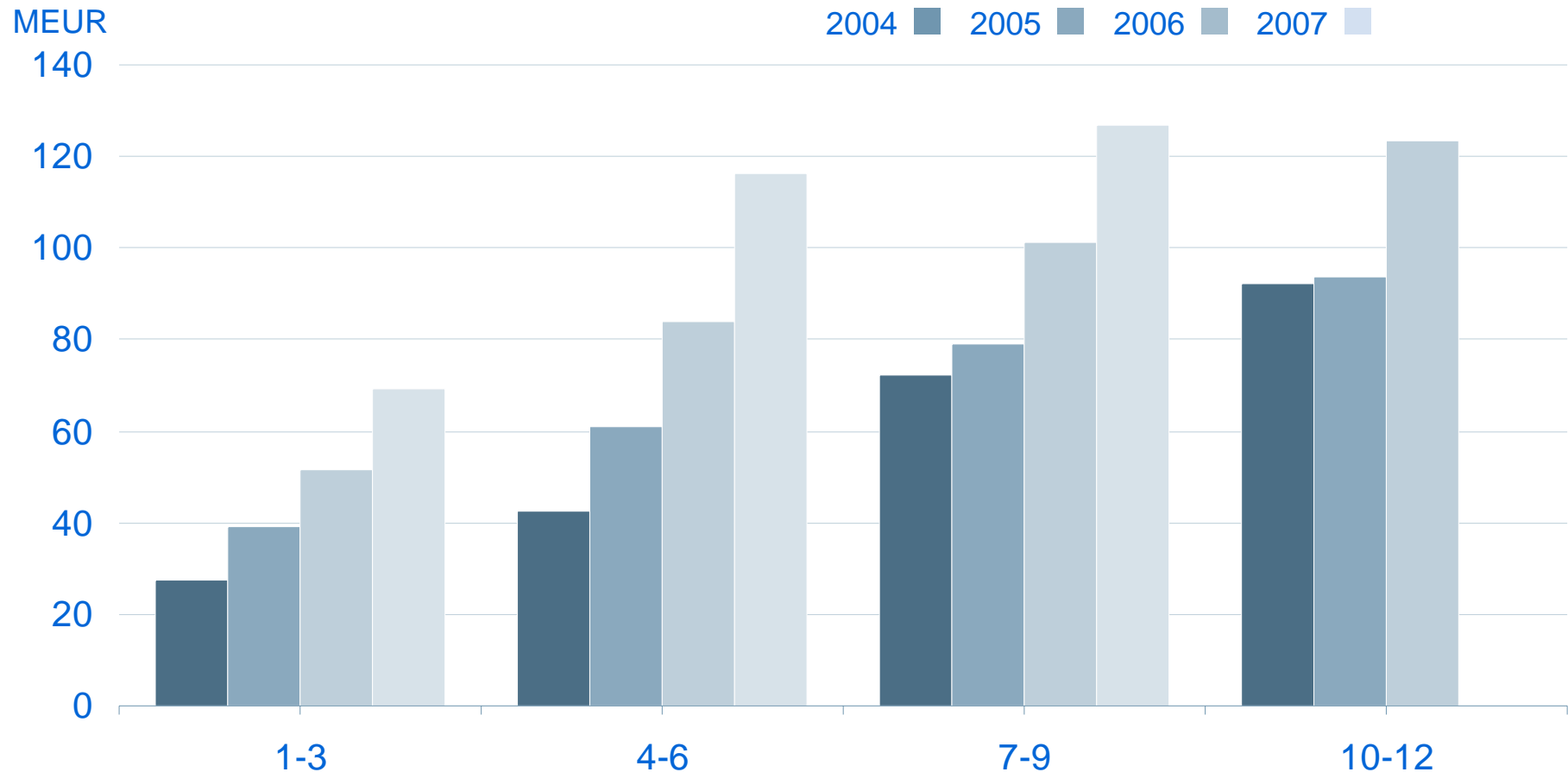
ORDERS RECEIVED GROWTH WAS FASTEST IN ASIA-PACIFIC AND IN THE AMERICAS



SALES GROWTH WAS FASTEST IN EMEA



EBIT GROWTH WAS DRIVEN BY SALES GROWTH AND PRODUCTIVITY IMPROVEMENT

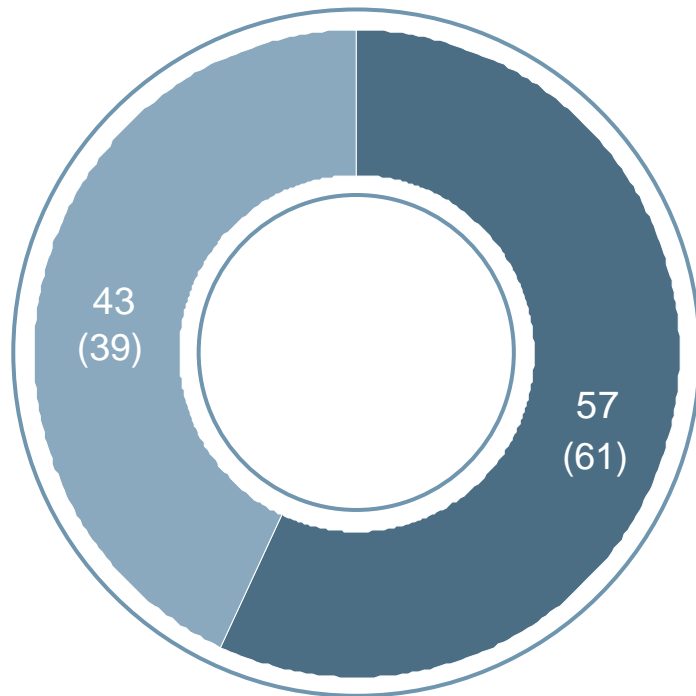


Note: 10-12/2004 disregarding MEUR 15.3 non-recurring income due to a provision reversal regarding disability pensions, 1-3/2005 excluding MEUR 89.2 provision for the development and restructuring program. 1-3/2007 excluding the MEUR 142.0 fine for the European Commission's fine decision.

SALES SPLIT IN JANUARY-SEPTEMBER, 2007

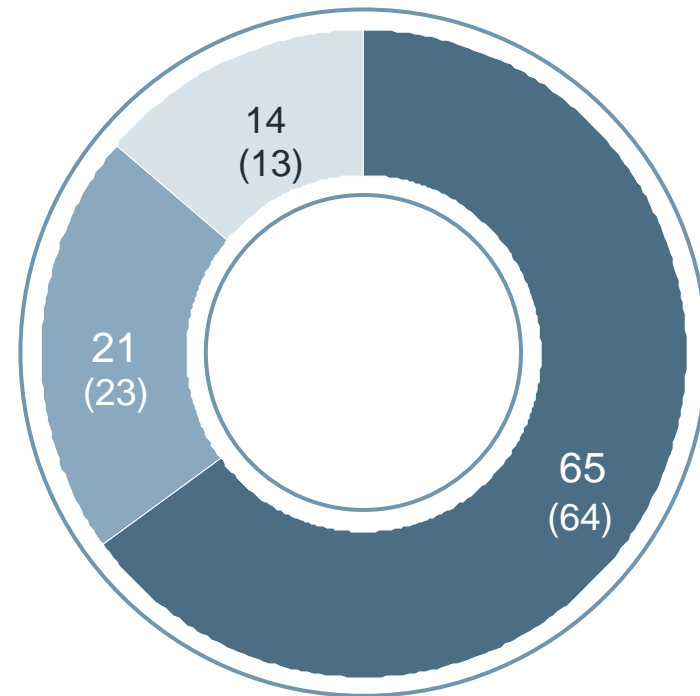


Sales by business, %



■ Services ■ New equipment

Sales by market, %



■ EMEA ■ Americas ■ Asia-Pacific

Note: January-September 2006 figures in brackets

EUROPE AND MIDDLE EAST: GOOD MARKET GROWTH CONTINUED



- New equipment market has been strong in Central and Northern Europe, Eastern Europe and in the Middle East. Residential market in Southern Europe has been slowing down, but the total market has been rather stable.
- Maintenance market solid, but very competitive.
- Modernization market continues to be strong.

KONE: GOOD PROGRESS IN EUROPE AND THE MIDDLE EAST



- Growing market share in New Equipment.
- Fast Orders Received growth in Major Projects.
- Development actions are bringing results in Maintenance.
- Good progress in Modernization.

NORTH AMERICAN MARKET HAS REMAINED RELATIVELY STABLE



- Apartment market has been relatively flat
 - Single-house market has weakened
- Commercial building markets are continuing at high levels
- Maintenance market is very competitive.
- Modernization market developing positively.

KONE'S PERFORMANCE CONTINUED TO IMPROVE IN NORTH AMERICA

- Product competitiveness is very good.
- Machine-Room-Less (MRL) acceptance continues to expand.
- Positive margin development.
- Reorganization in the U.S. proceeding well.

ASIA PACIFIC: STRONG MARKET GROWTH DRIVEN BY URBANIZATION



- Strong growth in China and in India.
- Moderate growth in Southeast Asia.
- Australian market has continued to develop well.

KONE CONTINUES TO INCREASE MARKET SHARE IN ASIA PACIFIC



- One of the fastest growing E&E companies in China.
- Market leader in the MRL segment in China.
- Good progress in India.
- Good growth in Southeast Asia and in Australia.

DEVELOPMENT PROGRAMS CONTINUED TO BRING RESULTS



- Customer Focus
- Product and Service Competitiveness
- Operational Excellence
- Sourcing Power
- Presence in Asia

OUTLOOK 2007

- At comparable exchange rates, KONE's target is to achieve a growth close to 15 percent in net sales compared to 2006.
- The operating income (EBIT) target ¹⁾ is to achieve a growth close to 30 percent from the comparable 2006 figure of EUR 360 million.

1) Excluding the EUR 142.0 million fine for the European Commission's decision and the possible fine from Austria.

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