

The KONE logo is positioned in the lower-left area of the page. It features the word "KONE" in white, uppercase letters, centered within a blue rectangular background divided into four segments.

Interim Report for January-September 2008

October 21, 2008

President & CEO, Matti Alahuhta

Q3 2008: Good development in operating income continued



		7-9/2008	7-9/2007	Historical change	2007
Orders received	MEUR	892.4	926.3	-4%	3,674.7
Order book	MEUR	4,002.8	3,473.6	15%	3,282.3
Sales	MEUR	1,123.8	971.6	16%	4,078.9
Operating income	MEUR	146.0	126.7	15%	473.2 ¹⁾
Operating income	%	13.0	13.0		11.6 ¹⁾
Cash flow from operations (before financial items and taxes)	MEUR	153.4	158.7		380.0

1) Excluding an expense of EUR 142.0 million relating to the European Commission's fine decision, a EUR 22.5 million provision for the Austrian Cartel Court's fine decision and a EUR 12.1 million profit from the sale of the KONE Building

January-September 2008: Good growth in orders received and operating income (EBIT)



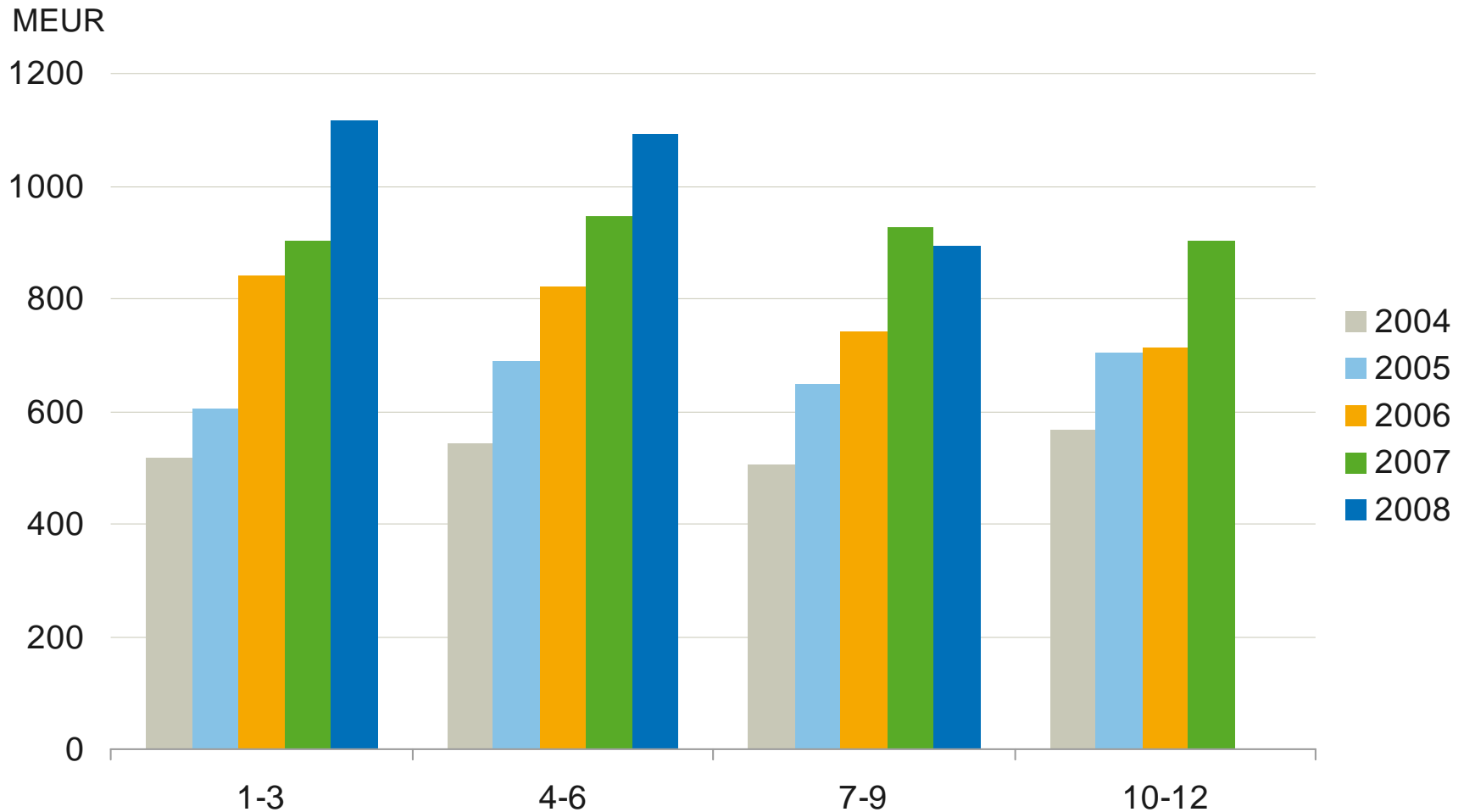
		1-9/2008	1-9/2007	Historical change	2007
Orders received	MEUR	3,102.3	2,772.8	12%	3,674.7
Order book	MEUR	4,002.8	3,473.6	15%	3,282.3
Sales	MEUR	3,171.2	2,784.7	14%	4,078.9
Operating income	MEUR	369.2	312.4 ¹⁾	18%	473.2 ²⁾
Operating income	%	11.6	11.2 ¹⁾		11.6 ²⁾
Cash flow from operations (before financial items and taxes)	MEUR	438.9	264.0		380.0

1) Excluding an expense of EUR 142.0 million related to the European Commission's fine decision

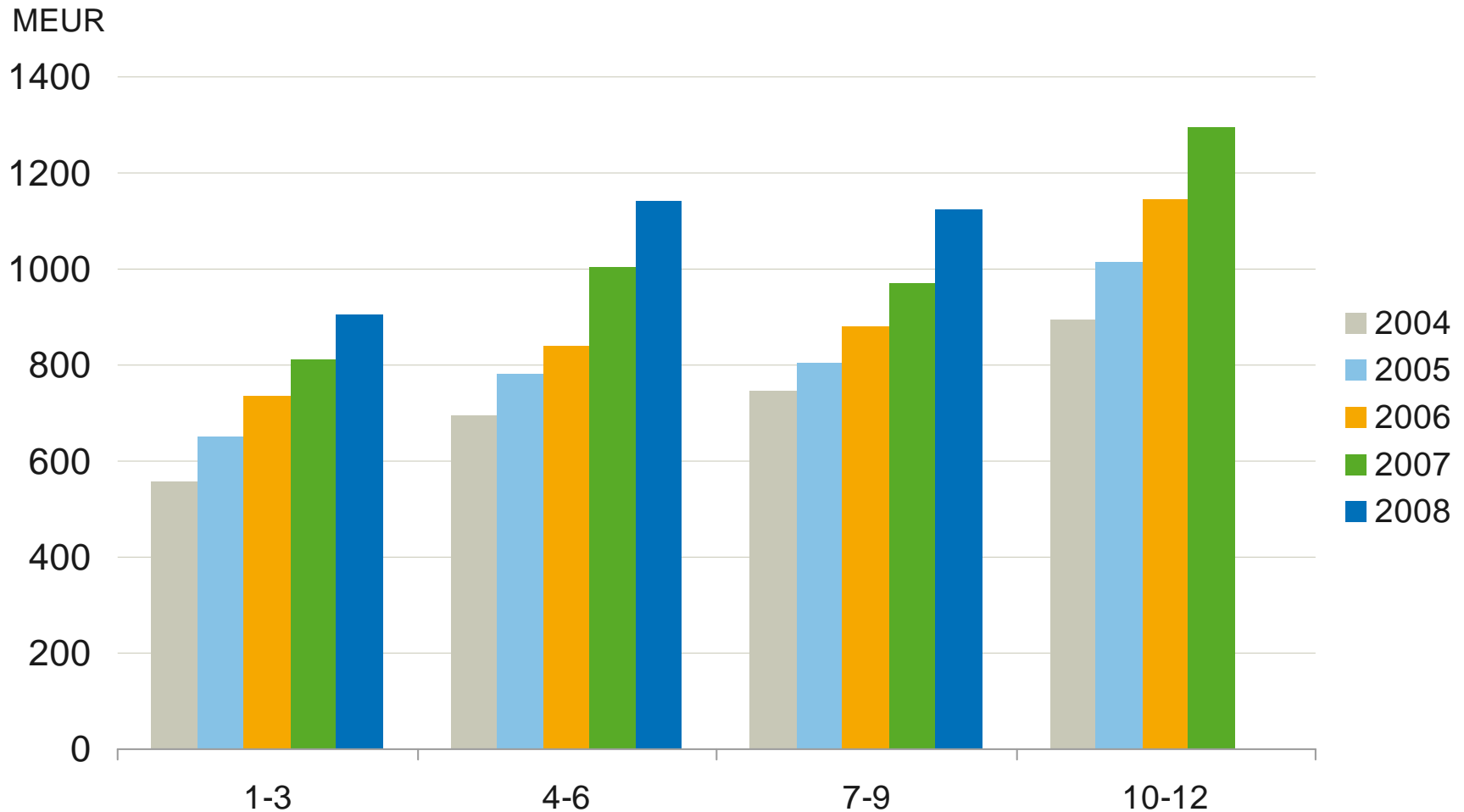
2) Excluding an expense of EUR 142.0 million relating to the European Commission's fine decision, a EUR 22.5 million provision for the Austrian Cartel Court's fine decision and a EUR 12.1 million profit from the sale of the KONE Building

* Official closing currency rates

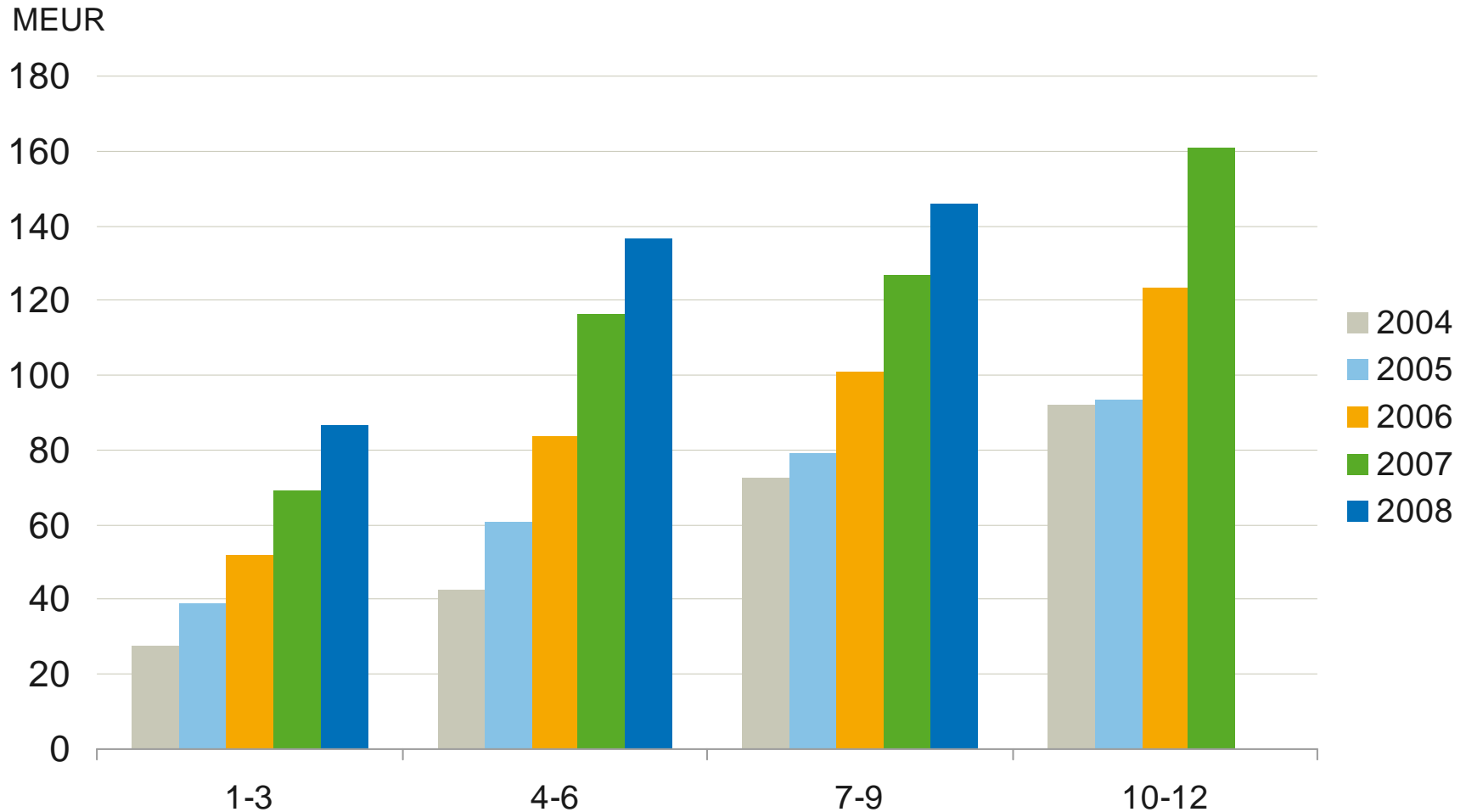
Q3 2008: Orders received growth was fastest in the Americas and in Asia-Pacific



Q3 2008: Sales growth was fastest in Asia-Pacific



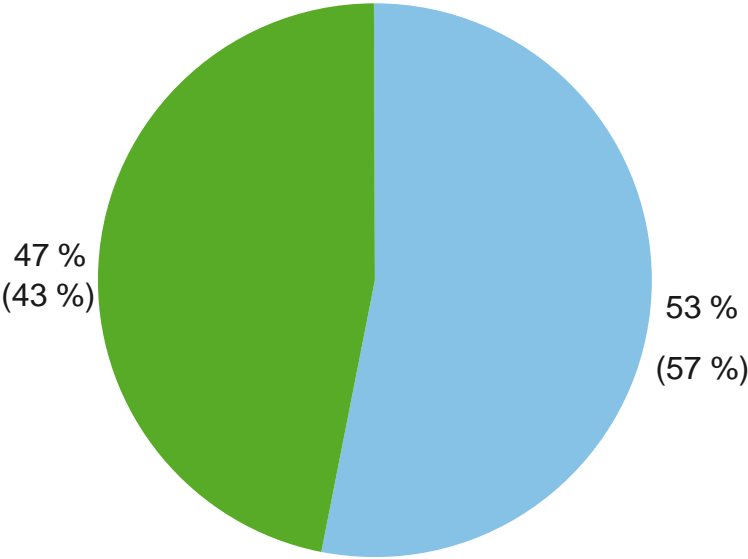
Q3 2008: EBIT growth was driven by sales growth and productivity improvement



January-September 2008: Sales split, %

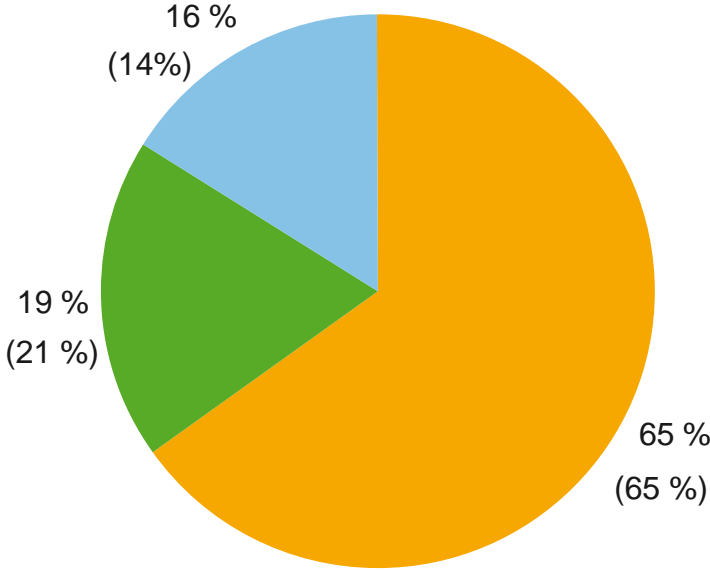


Sales by business



■ Service ■ New equipment

Sales by market



■ EMEA ■ Americas ■ Asia-Pacific

Q3 2008: In EMEA, clear difference in the development of the new equipment markets



- New equipment market
 - Relatively good in the Eastern European countries, Germany, the Nordic countries and the Middle East.
 - Declined particularly in Spain, UK and Ireland and somewhat in Italy and France.
- In maintenance and modernization, markets have continued to develop well.

Q3 2008: The new equipment market was weak in the Americas



- New equipment market
 - The overall U.S. market down YoY.
 - Building activity strongest in the Northeast and the West
 - Canadian construction market still resilient
 - Mexico experienced similar trends as in the U.S.
- In maintenance and modernization, markets continued to develop well.

Q3 2008: Urbanization continued to drive growth in Asia-Pacific



- Good growth continued in China – lower growth in the costal regions. North and Central provinces experienced high growth.
- In India, high interest rates and cost inflation impacted somewhat on market activity.
- In Australia, residential market continued to slowdown while the commercial segment experienced some growth.
- The modernization and maintenance markets developed favorably.

Strong focus on our development programs enables market share gains and productivity improvements

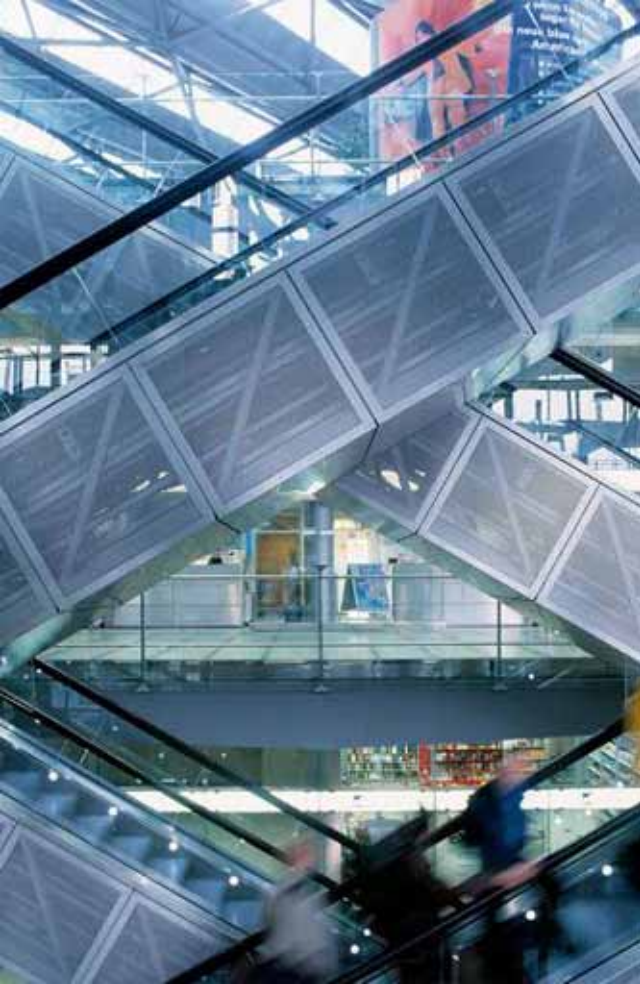


- Customer Focus
- People Flow Solutions
- Operational Excellence
- Environmental Excellence
- People Leadership



- We estimate that the demand for new equipment will further decline in many markets during the final quarter of 2008.
- The modernization and maintenance markets will grow.
- We believe that KONE has opportunities to reach a higher growth in orders received during Q4 than in Q3 2008, provided that the global financial markets will continue to function.

2008 Outlook is unchanged



- KONE's target for 2008 is to achieve, at comparable exchange rates, a growth of more than 10 percent in net sales compared to 2007
- The operating income (EBIT) target is to achieve a growth close to 20 percent compared to the 2007 figure of EUR 473 million
- This corresponds to an operating income (EBIT) margin of at least 12.0 percent

Long-term financial targets



Growth	Faster than market
Profitability	EBIT 14%
Cash flow	Improving Working Capital

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