

An aerial photograph of a dense city skyline, likely Chicago, featuring numerous skyscrapers of varying heights and colors. The city extends to the water's edge, where a large body of water is visible under a clear blue sky. The text is overlaid on the lower-left portion of the image.

KONE'S CAPITAL MARKETS DAY 2011

# Developing Solutions and Delivery Excellence in New Equipment Business

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# Agenda



- Innovative Solutions for People Flow™

- Delivery Chain Excellence

- New Equipment Business going forward



# Drivers for People Flow™ solutions development



Urbanization



Environment



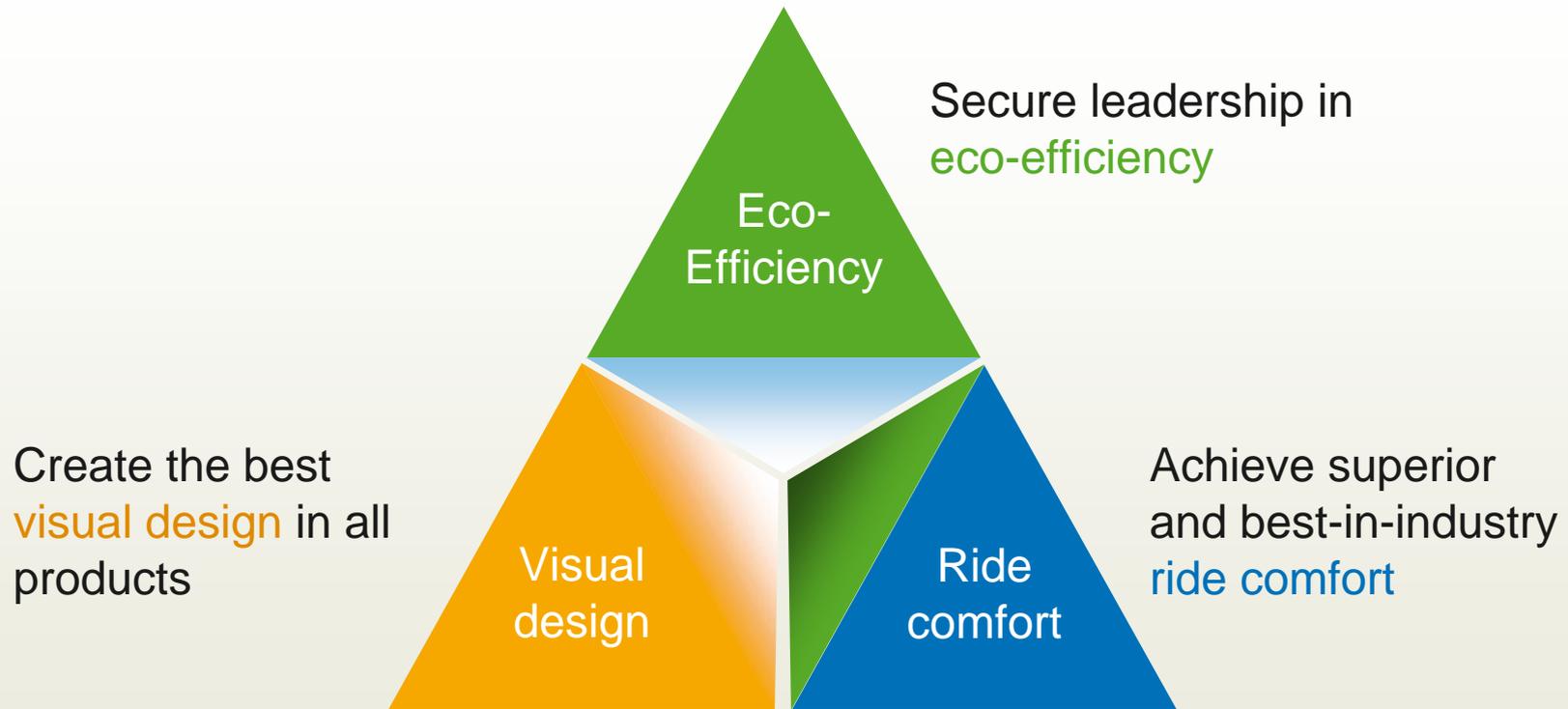
Safety



Aging population



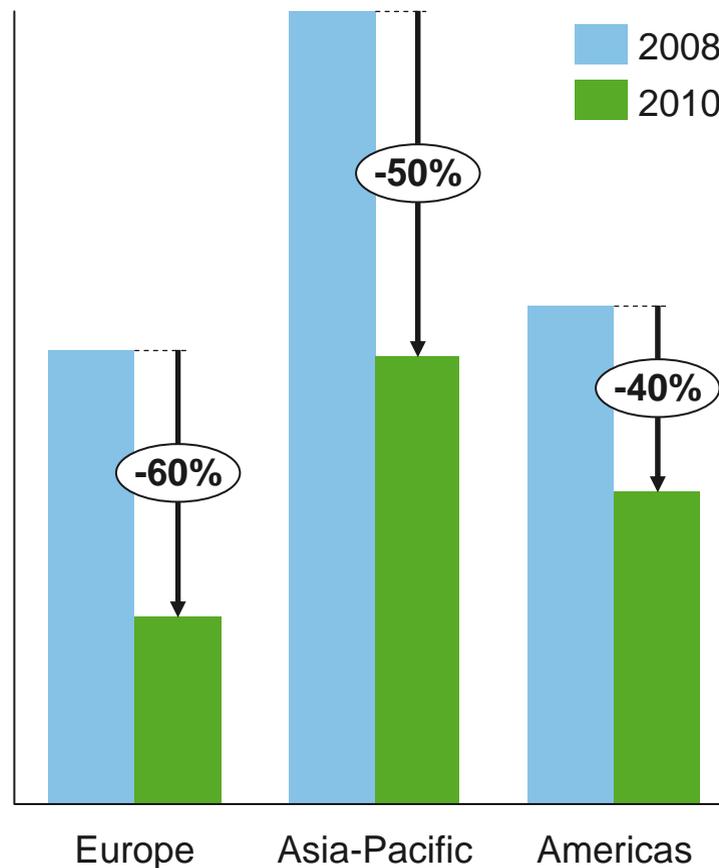
Our aim is to develop innovative products with the best ride comfort, eco-efficiency and visual design



▲ We have reduced the energy consumption of our elevators by 50% and are working on further reductions



Energy consumption of KONE's elevators kWh/y



# Industry-leading energy efficiency ratings



- KONE was the first company to reach VDI 4707 A class energy performance rating for its volume elevators in Europe and Asia.
- The VDI 4707 is a guideline published by the Association of German Engineers (Verein Deutscher Ingenieure), which aims at classifying elevators based on their energy consumption.

**A** KONE MiniSpace  
KONE MonoSpace

**B**

**C**

**E**

**E**

**F**

**G**

	KONE MonoSpace® Standard	KONE MiniSpace™	KONE MiniSpace™	KONE SMono
Type of building	Residential	Office	Office & hotel (multi-use)	Office
	Austria	Germany	China	China
Load (kg)	630	4000	1600	1350
Speed (m/s)	1	3	6	1.75
Energy efficiency class	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>

Energy efficiency class provided by TÜV

 We want to provide the best user experience also in terms of the best ride comfort



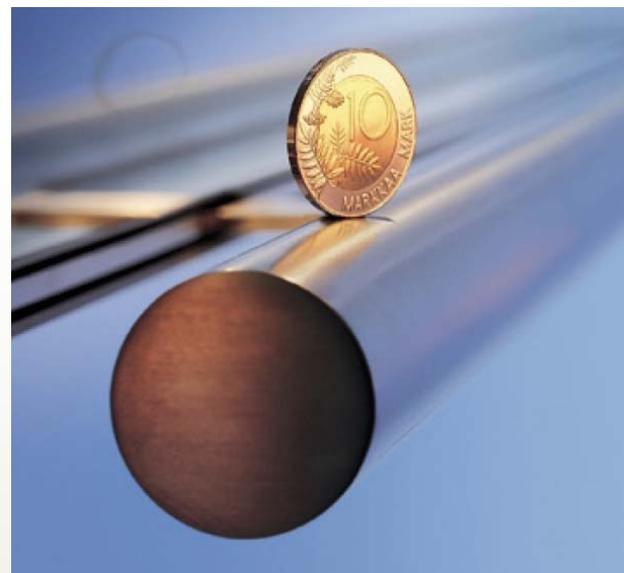
Silence

KONE elevators

50-55 dBA

Typical car on smooth highway

65-75 dBA



Low vibration

0,2-0,3m/s<sup>2</sup> at floor

1,2-1,4m/s<sup>2</sup> on car seat

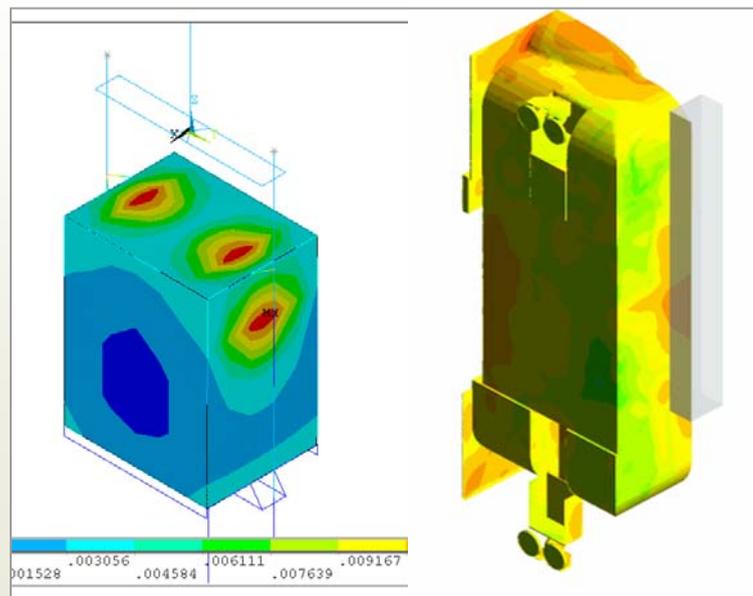
# Ride comfort development efforts are undertaken on multiple fronts



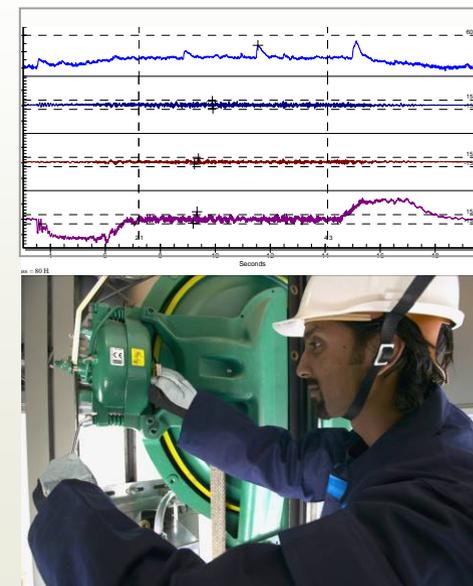
## Smart technology



## Advanced design tools and solution creation process



## Quality installation





We aim to have the best visual design in order to create a unique ambience and user experience



2008 & 2009

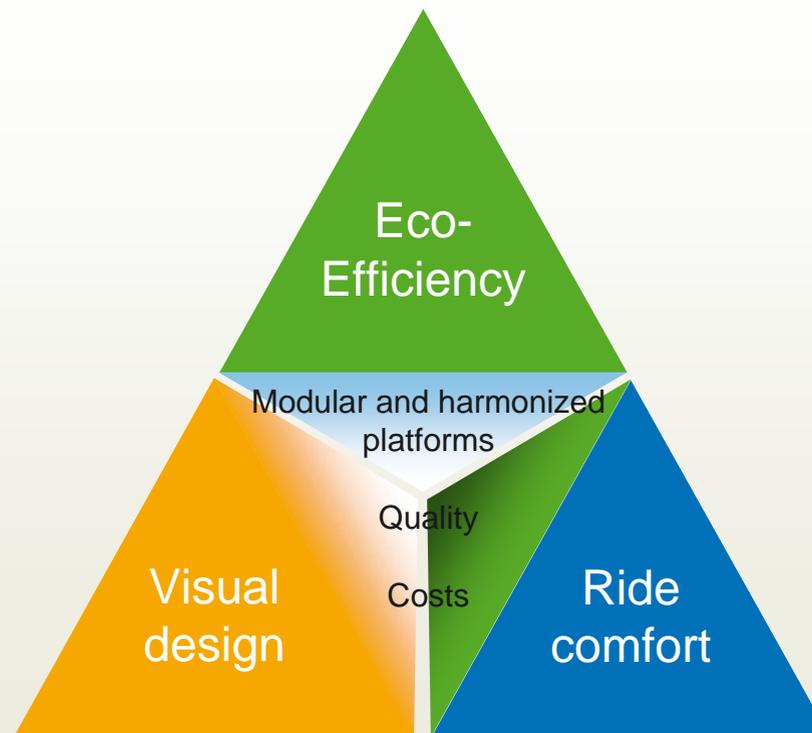


2009



2010

# At the core of the development efforts are modularization, quality and costs



# Case 1: Infrastructure segment

## Hongqiao Transport Hub, Shanghai, China



- Flow: 40 million air passengers yearly; 140 million rail passengers yearly; 1.1 million people daily
- Opened for the 2010 Shanghai World Expo
- KONE delivered a complete solution consisting of more than 400 units of elevators and escalators
- KONE also provided modernization services for the older parts of the complex

### Airports and public transport

- Reliable, safe and efficient transportation of large masses, through correctly selected and placed equipment
- Durable materials, functional design
- Energy efficient solutions

# Case 2: Office segment

## Walbrook Building, London, United Kingdom



- A modern office building designed by Norman Foster
- Completed in 2010
- Challenges in the project involved creating a solution to accommodate visual design specifications and zoning restrictions
- Close cooperation with the client and architects during the project

### Office buildings

- Fast and easy access to all floors in the building through optimized traffic handling
- Improved security and access control
- Impressive designs to suit any office building
- Energy efficient solutions

Picture copyright Nigel Young/Foster + Partners

# Case 3: The affordable housing segment in China



- Key growth generator in the Chinese new equipment market
- In order to further improve our competitiveness we launched a new offering targeted for the segment in early 2011

## **KONE 3000E MiniSpace™**

A cost-competitive solution for reliable, efficient and comfortable transport in approximately 20-30 floor residential buildings



- Innovative Solutions for People Flow™



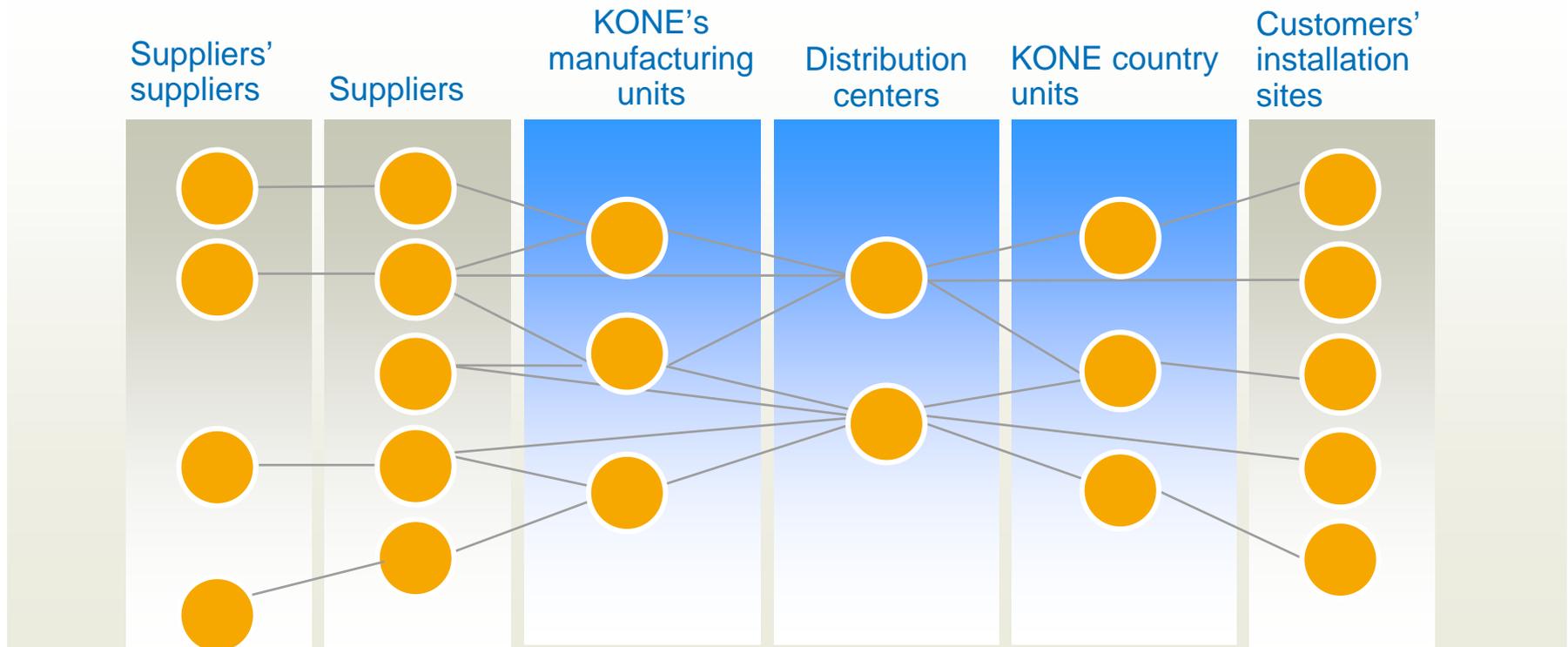
- Delivery Chain Excellence

- New Equipment Business going forward

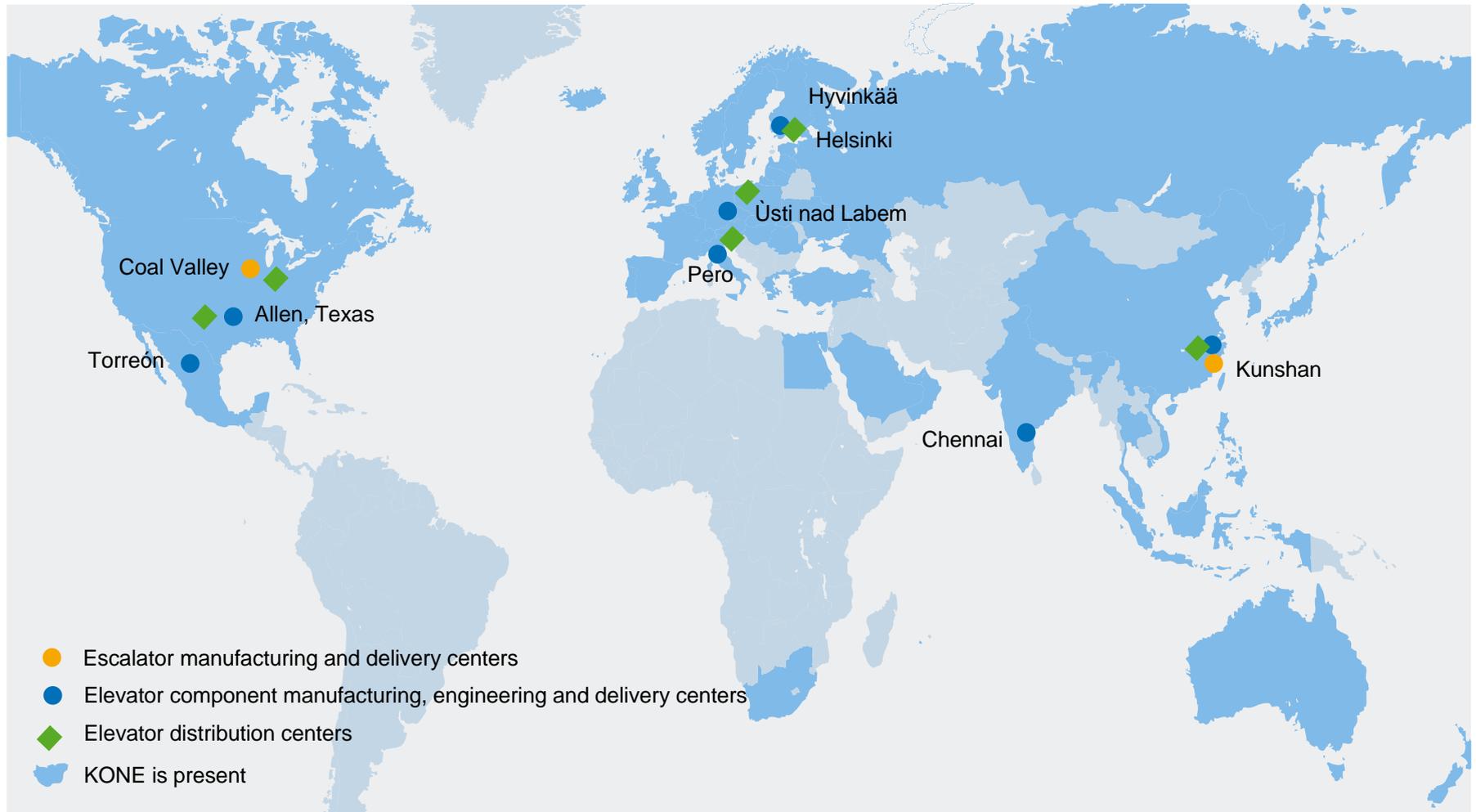
# KONE delivery chain architecture



- Fit to building planning, design and construction process
- Managed and developed as one global supply network
- High flexibility and adaptability
- KONE's own manufacturing covers some selected components only



# Global elevator and escalator supply network



# Delivery chain excellence going forward



- Working with clear annual objectives, KPIs and focused development actions
  - Entire delivery chain
  - Functional activities
  - Suppliers
- Expanding manufacturing capacity in developing markets
- Developing competencies in all manufacturing sites and engineering centers
- Widening distribution center network
- Developing strategic supplier network – gold, silver and bronze level suppliers



- Innovative Solutions for People Flow™

- Delivery Chain Excellence



- New Equipment Business going forward

# We continue to systematically develop our competitiveness with clear targets



- Segmented solutions, sales activity, pricing
- The best eco-efficiency, ride comfort and visual design
- Continuous reductions in product costs
- Active development of customer satisfaction
- Continuous product, process and service quality development
- Modularization and harmonization
- Strengthening and developing supplier network
- Improved working capital rotation
- Constant focus on installation efficiency



*Dedicated to People Flow™*

