

The background of the slide is a photograph of the Marina Bay Sands hotel in Singapore. The building is a prime example of modern architecture, featuring three tall, glass-clad towers that are connected at the top by a long, horizontal skybridge. The skybridge has a distinctive curved, cantilevered design. The glass facade of the towers reflects the blue sky and white clouds. In the foreground, there is a dark, metallic structure with a grid-like pattern, possibly part of a walkway or a lower-level building, which adds depth to the image.

KONE Interim Report for January–September 2011

October 20, 2011

Matti Alahuhta, President & CEO

Q3 2011: Continued positive development in a challenging environment



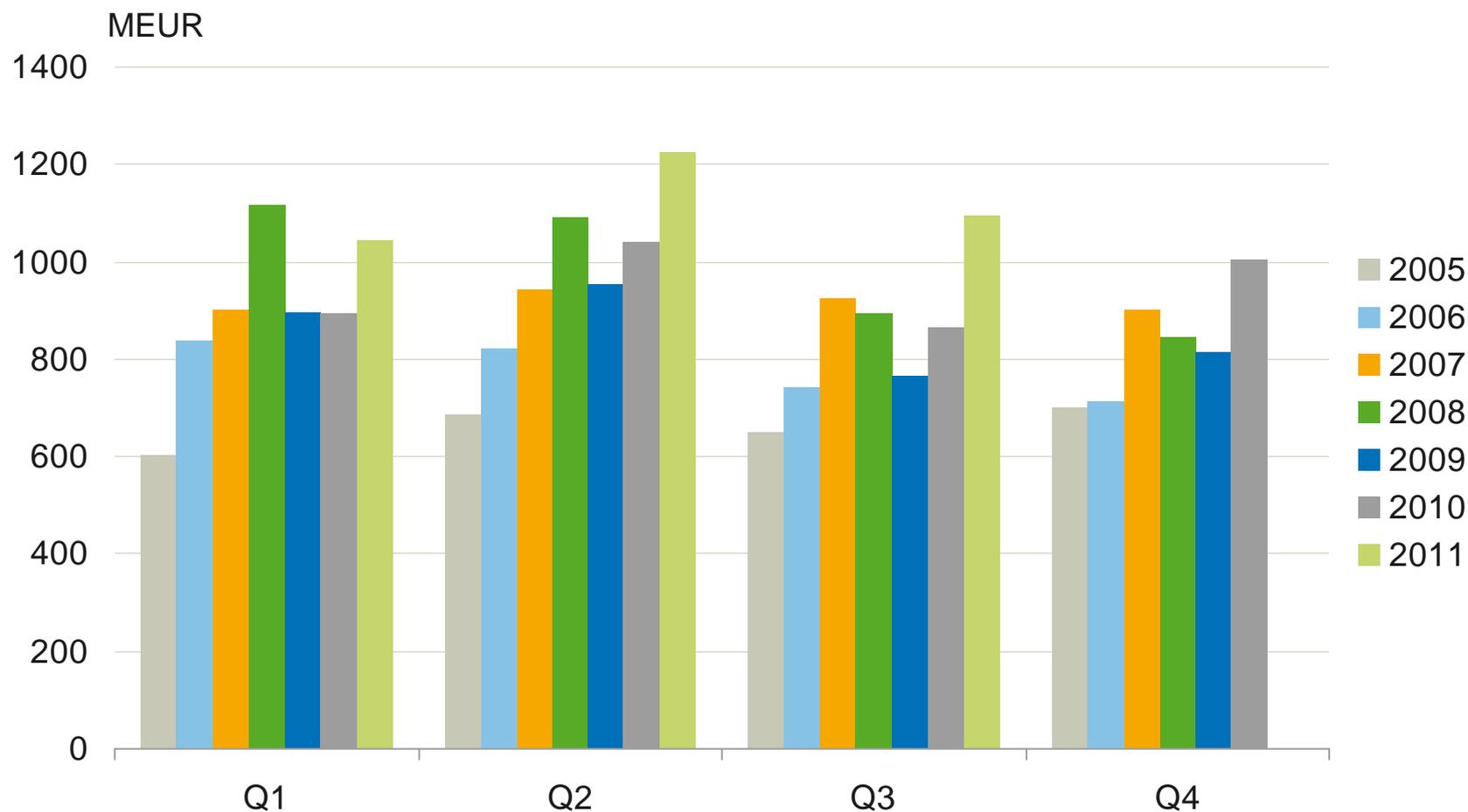
		Q3/2011	Q3/2010	Historical change	2010
Orders received	MEUR	1,095.4	865.2	26.6%	3,809.0
Order book	MEUR	4,143.2	3,657.9	15.2%	3,597.8
Sales	MEUR	1,296.2	1,235.9	4.9%	4,986.6
Operating income	MEUR	188.9	184.8	2.2%	696.4
Operating income	%	14.6	15.0		14.0
Cash flow from operations (before financial items and taxes)	MEUR	240.1	242.8		857.2

January–September 2011: Balanced development in line with our targets

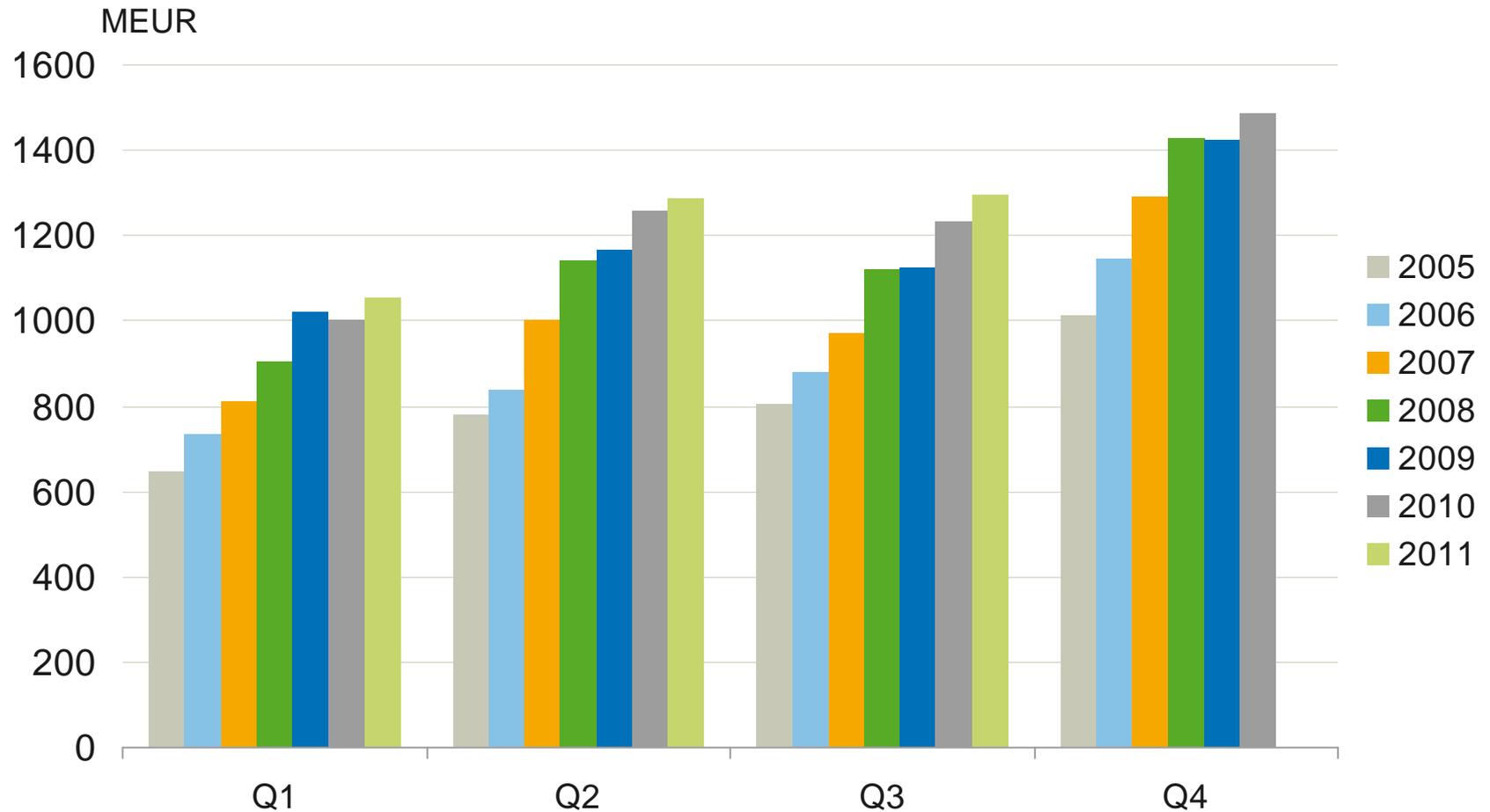


		1–9/2011	1–9/2010	Historical change	2010
Orders received	MEUR	3,366.3	2,802.7	20.1%	3,809.0
Order book	MEUR	4,143.2	3,657.9	15.2%	3,597.8
Sales	MEUR	3,636.4	3,497.8	4.0%	4,986.6
Operating income	MEUR	492.1	469.1	4.9%	696.4
Operating income	%	13.5	13.4		14.0
Cash flow from operations (before financial items and taxes)	MEUR	607.3	662.1		857.2

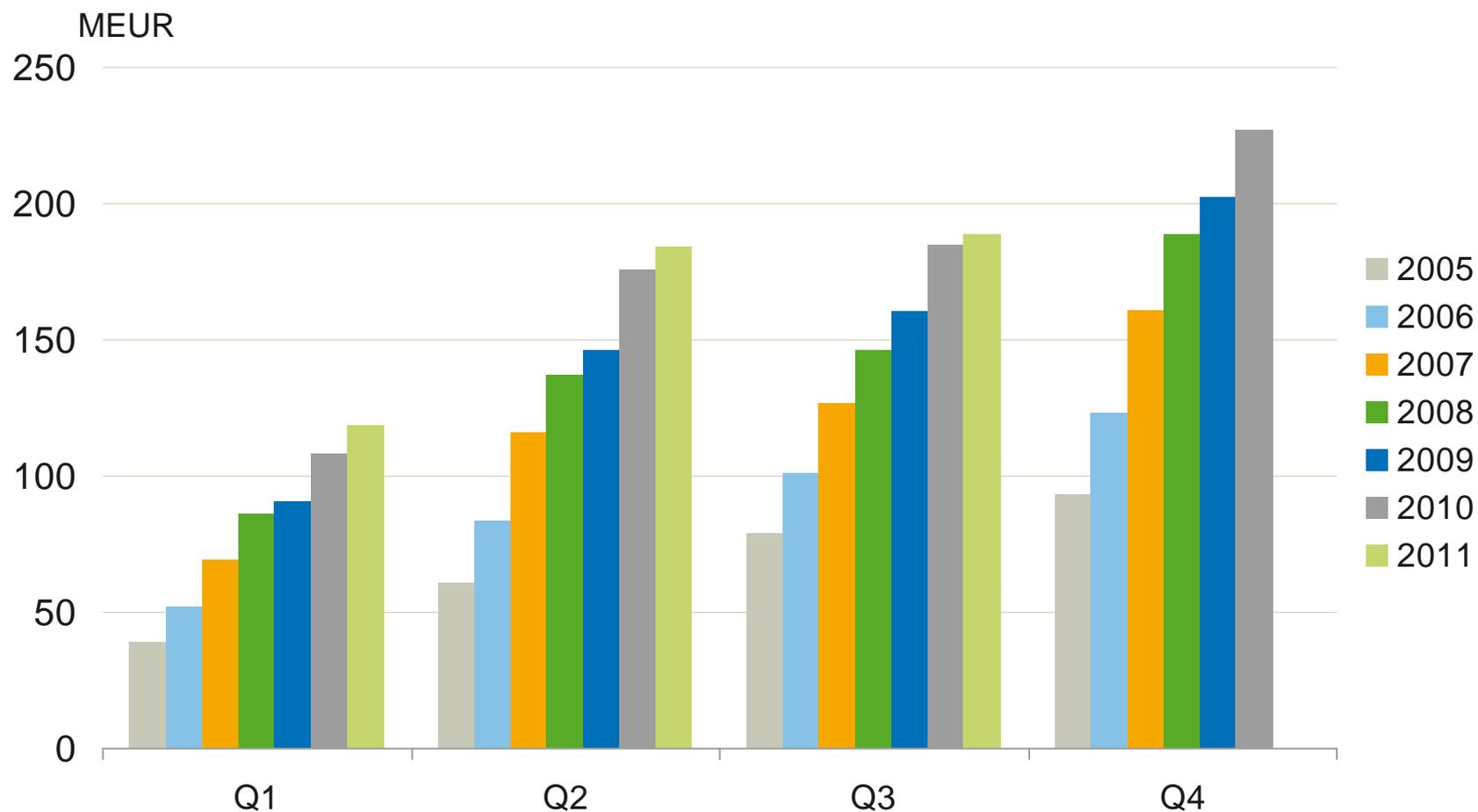
Q3 2011 Orders received: Growth in all geographies led to a record high order book



Q3 2011 Sales: Growth in all businesses



Q3 2011 Operating income: Slower growth in a demanding environment

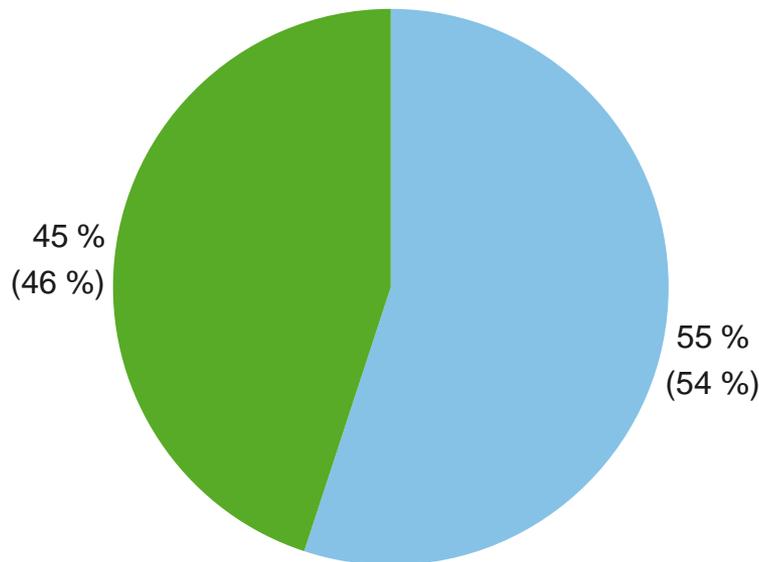


Note : Operating income excluding one-time items

January–September 2011: Asia-Pacific's share of sales continued to grow

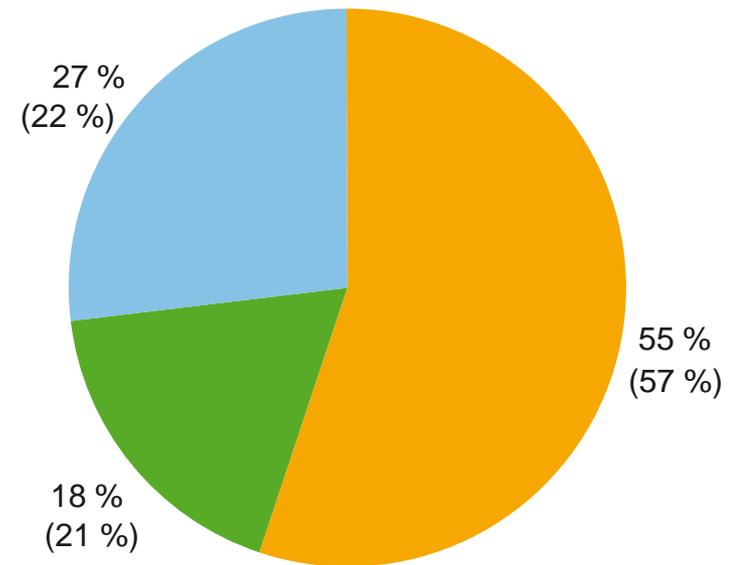


Sales by business



■ Service ■ New equipment

Sales by market



■ EMEA ■ Americas ■ Asia-Pacific

Q3 2011 EMEA: Mixed and uncertain market environment



- Maintenance markets developed well, but the pricing environment remained challenging.
- Modernization markets developed positively in Central and North Europe and were stable in South Europe.
- New equipment markets:
 - Market declined slightly in Central and North Europe. Markets developed favorably in Sweden, Germany and Belgium.
 - Markets in South Europe remained stable at a weak level. Activity in France grew slightly.
 - Overall activity in the Middle East was at a good level. Growth was the fastest in Saudi Arabia.
 - Market growth in Russia continued.

Q3 2011 Americas: Continued recovery from a low level, but uncertainty remains



- Maintenance markets developed well, but price competition remained strong.
- Modernization market grew slightly.
- New equipment markets:
 - In the United States, the gradual recovery of the market continued. The activity level varied significantly across the different regions and cities. Tendering activity grew in the office segment and remained at a low level in the infrastructure segment.
 - In Canada, the market remained stable at a good level.
 - In Mexico, the market grew driven by the residential, office and multi-use building segments.

Q3 2011 Asia-Pacific: Rapid growth continued



- Modernization and maintenance markets continued to develop favorably.
- New equipment markets:
 - In China, all segments except the infrastructure segment continued to grow strongly.
 - In India, continued good market activity in particular in the residential and hotel segments, but lower growth rate than during H1 2011 due to financing constraints.
 - In Australia, the market remained active.
 - In Southeast Asia, markets remained strong with the Malaysian, Singaporean and Indonesian markets growing the fastest.

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Delivery Chain Excellence

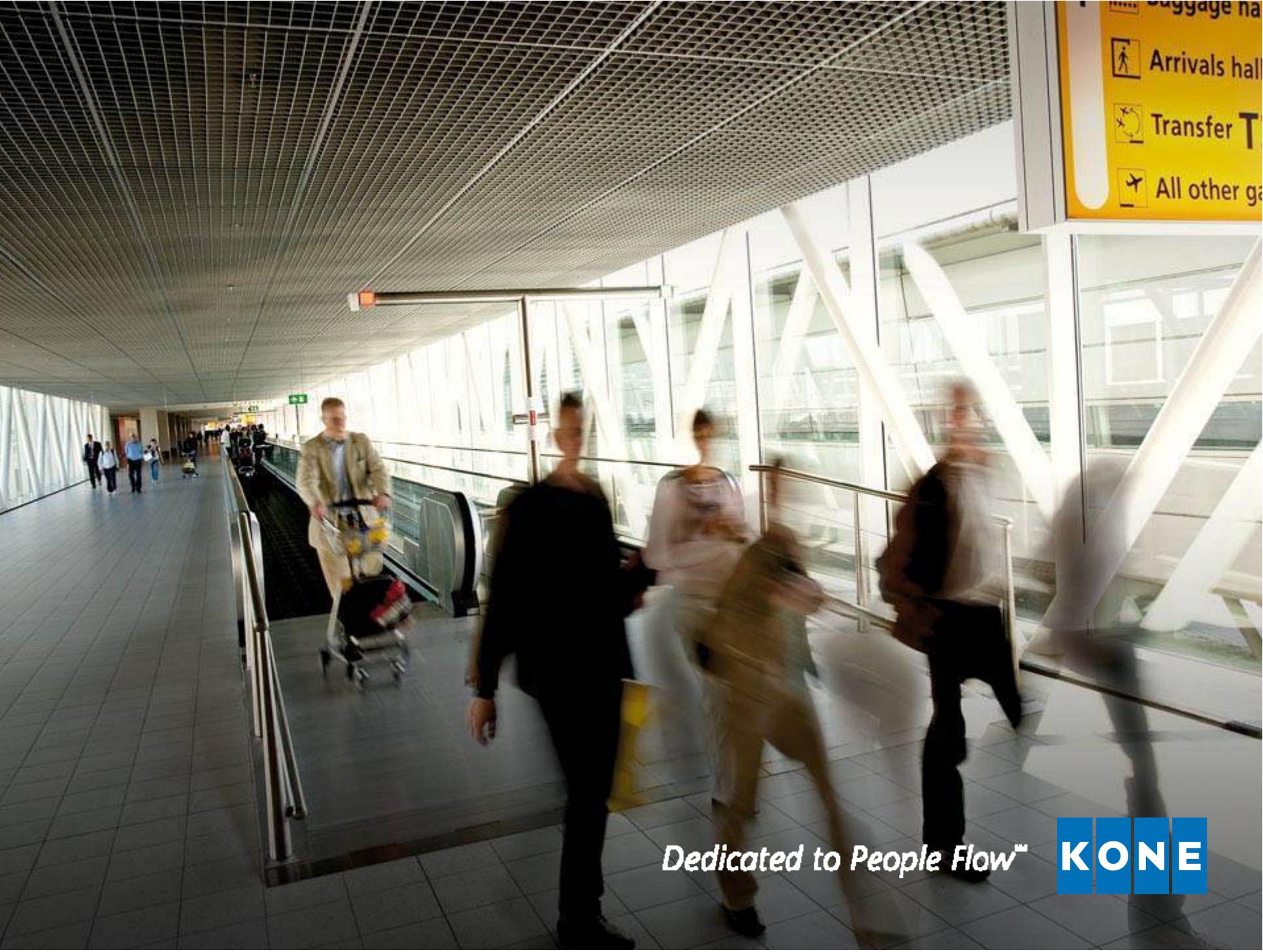


- The new equipment markets in Asia-Pacific are expected to continue to develop positively, albeit at a lower rate than during January-September 2011.
The overall activity level in the new equipment markets in Central and North Europe is expected to remain relatively stable. Markets in South Europe are expected to remain weak.
The new equipment markets in North America are expected to continue to gradually recover from a low level, but the outlook remains uncertain.
- The modernization markets are expected to grow slightly.
- The maintenance markets are expected to continue to develop well.

Outlook 2011 (specified)



- KONE's net sales is estimated to grow by 3-6% at comparable exchange rates as compared to 2010.
- The operating income (EBIT) is expected to be in the range of EUR 710–740 million, assuming that translation exchange rates do not deviate materially from the situation of the beginning of 2011.



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