



Services: Maintenance and Modernization

KONE's CAPITAL MARKETS DAY 2009

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Services

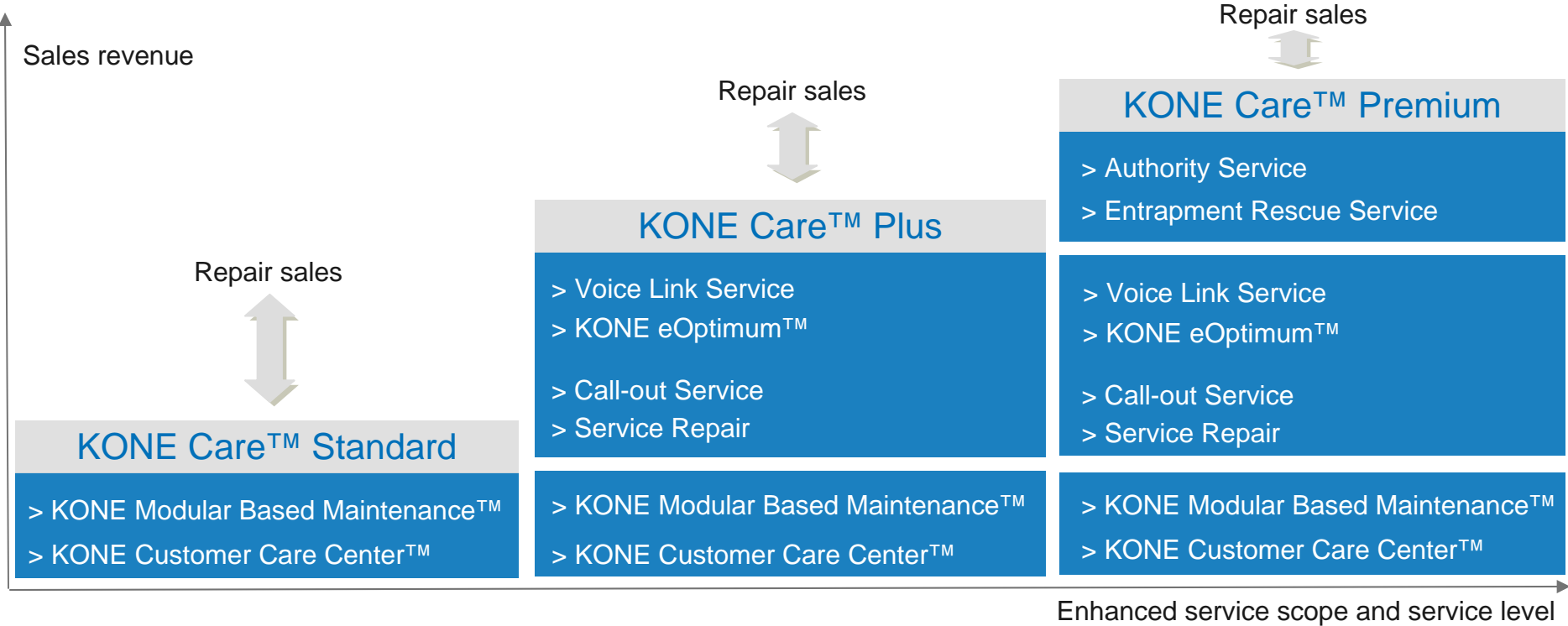
Service business



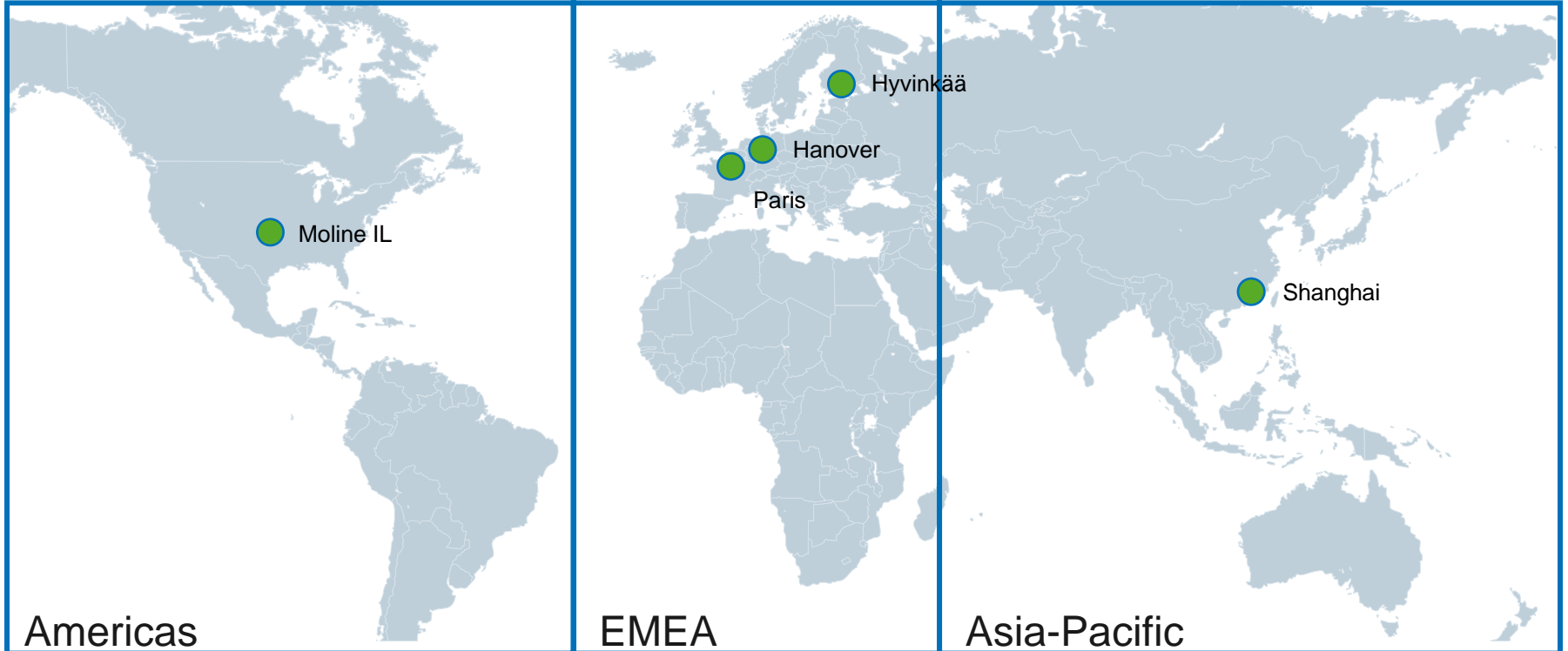
Drivers for maintenance growth



KONE Care™ customized maintenance solutions



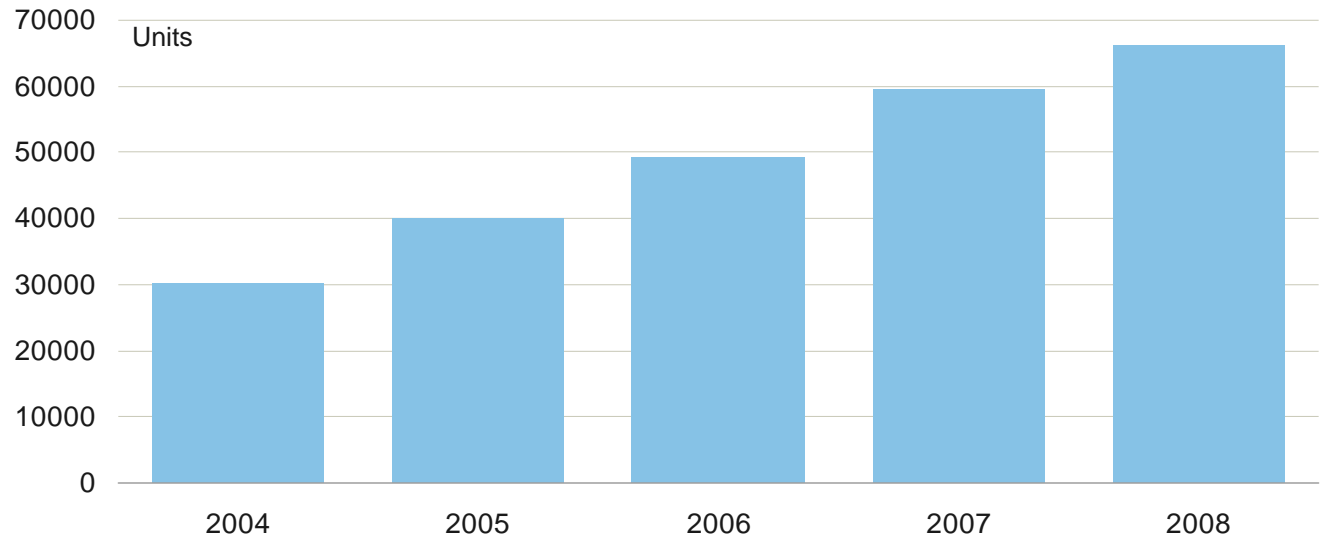
Drivers for maintenance growth - 3rd party competence development



Drivers for maintenance growth

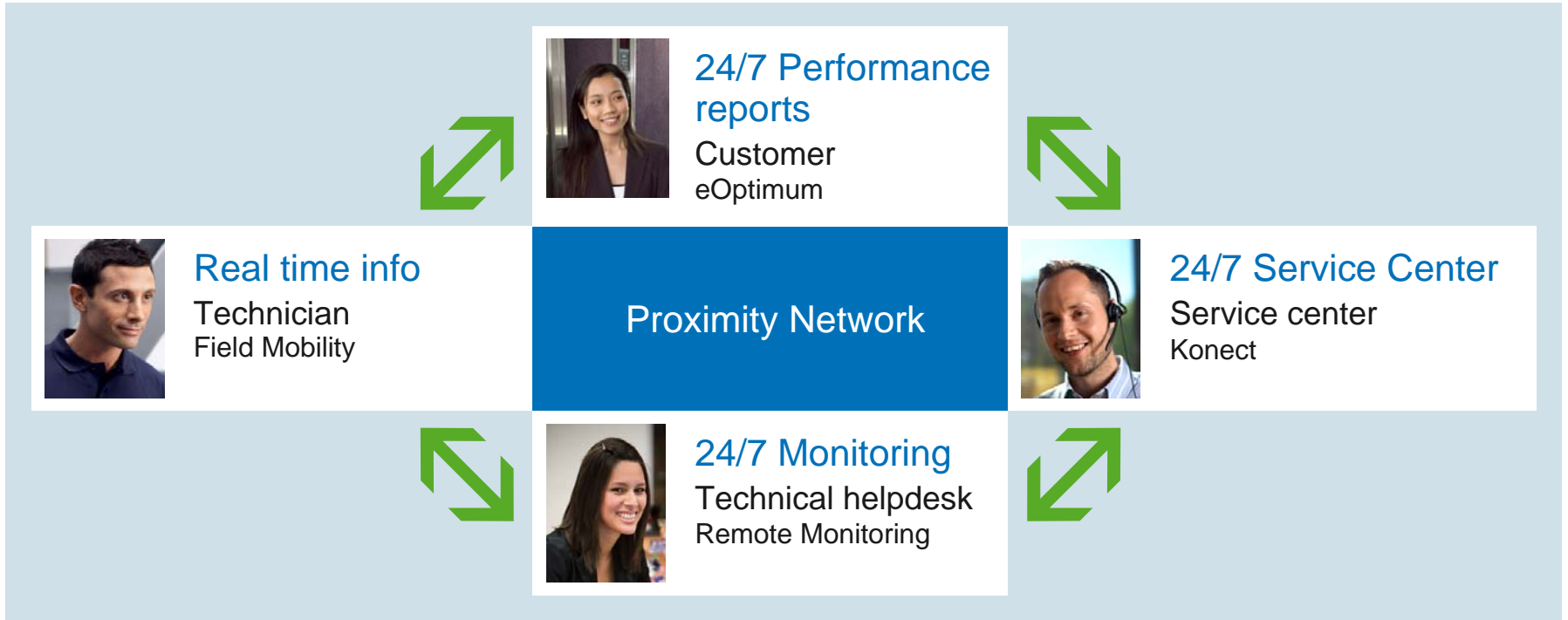


High growth of new equipment in orders received in the past years



How to improve maintenance productivity

Proximity



How to improve maintenance productivity



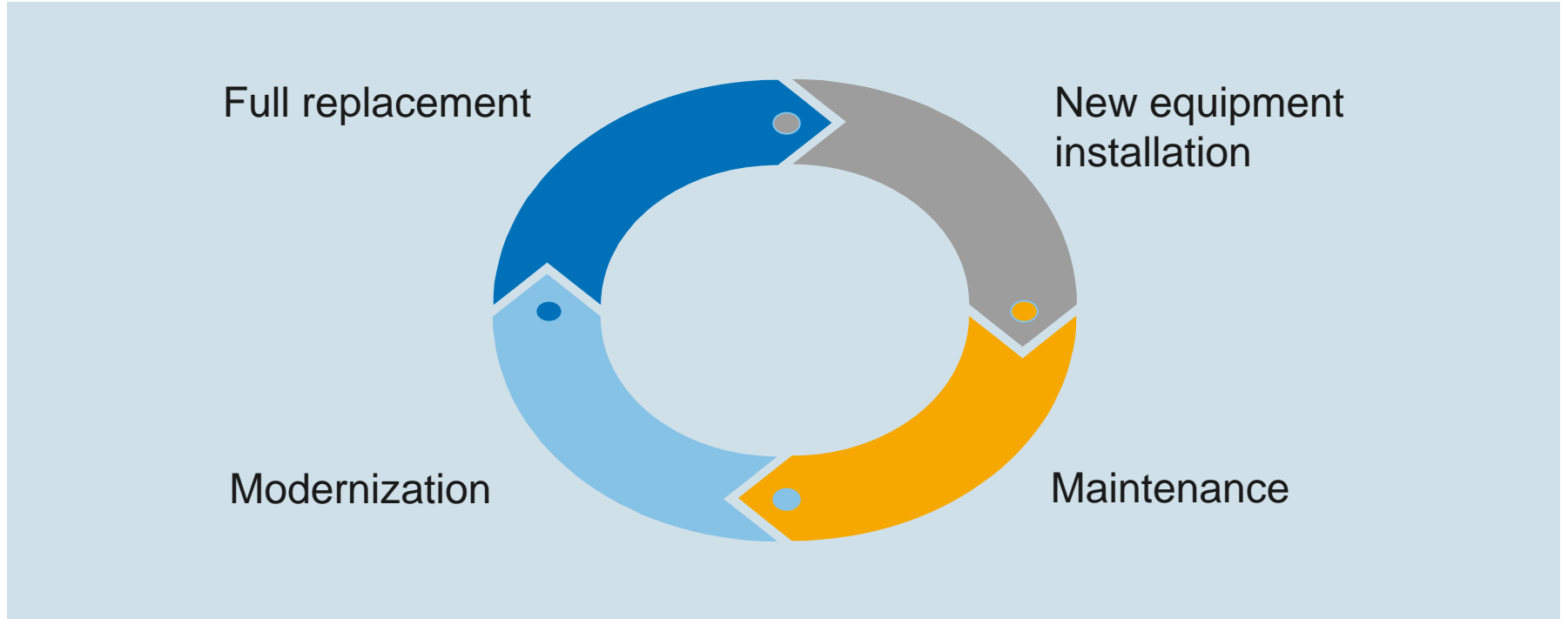
- Service excellence program
- KONE Modular Based Maintenance™
- Call-out reduction program
- Leadership in operations

Profitable growth continues in maintenance



- Growth 7-8% per year
- Sales margin at the same level or better
- Increase in non-contract sales

Modernization is the next step in the full life-cycle of the equipment



Modernization market



- Total Market EUR > 6 billion
 - Europe & Middle East EUR 2.7 billion
 - North America EUR 1.8 billion
 - Asia-Pacific EUR 0.9 billion
 - Rest of the world EUR < 1 billion
- Market in 2009 will be on the same level or slightly lower than in 2008
- Market size is not fixed

Business drivers in modernization – KONE solutions



Drivers

- Aging population
- Aging elevator base
- Tightening safety norms
- Sustainability

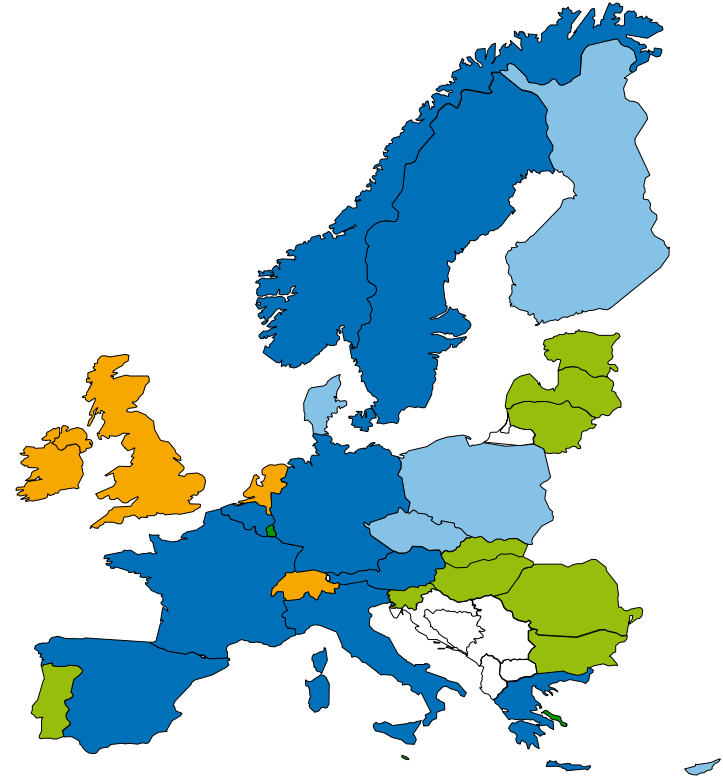


KONE solutions

- Range from small upgrades to the full replacement of the equipment
- Improve safety, accessibility, performance, aesthetic appeal and eco-efficiency

SNEL - Overview of national legislations in EU+EFTA

- 1 National laws have been introduced
- 2 National laws in preparation
- 3 Existing national laws cover part or all of SNEL points
- 4 Preparation for national laws to be started

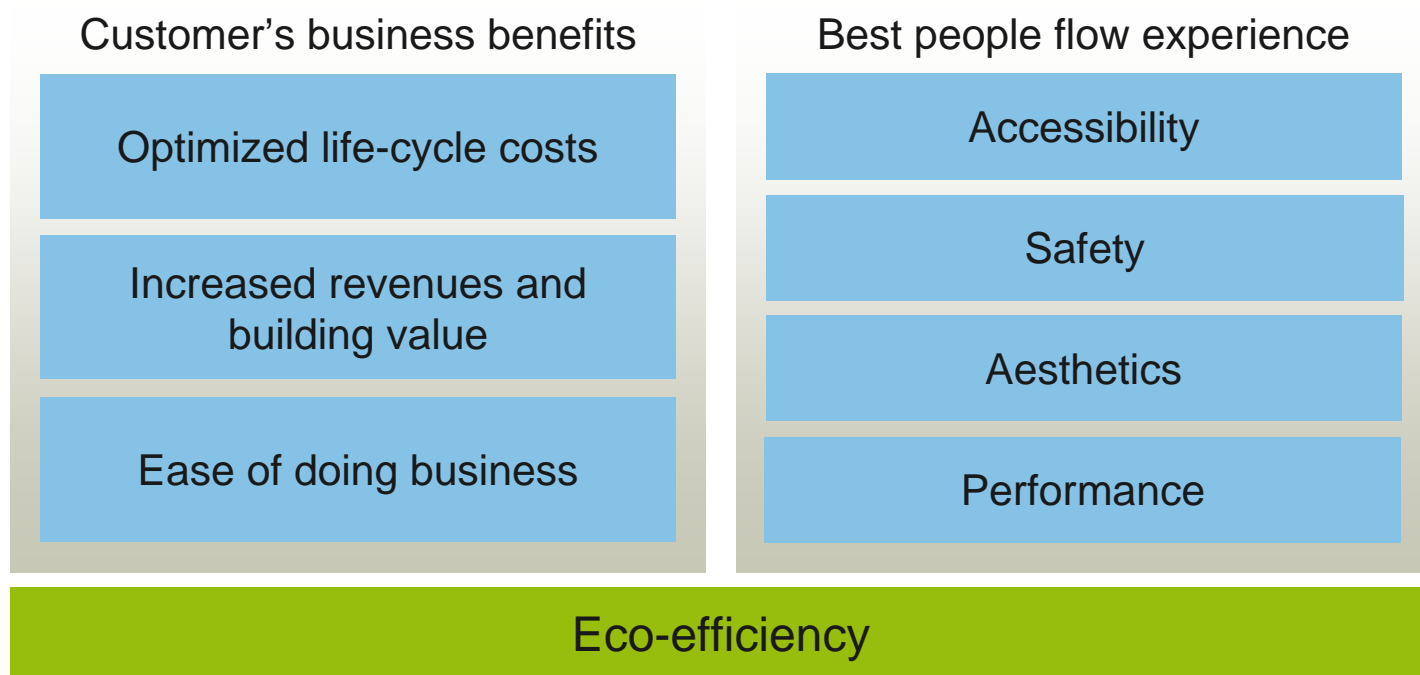


KONE's selling approach



- KONE Care for Life™
 - Consultative selling
 - Selling value
 - Modular solutions

Offering added value to the customer



Productivity - Industrialization of modernization



- New order and tendering process
 - Improved sales productivity
 - Reduced engineering capacity
- New project management method
 - Reduction of lead-time
 - Reduction of work-in-process
- New flexible and single man installation methods
 - Increased safety for customers and employees
 - Increased productivity
 - Reduced disturbance of people flow
- Improved logistics
 - Better complete-on-time deliveries

Modernization wrap up



- Market on the same level or slightly lower
- Market not fixed
- Sales margin to remain on same healthy level





Profitable growth continues
in the service business