

Dedicated to People Flow™



8:45 A.M.
MADRID

Pablo and 35,000 other KONE People Flow® experts help to deliver the best user experience.

Our service technician Pablo and his colleagues from R&D, sales and other KONE teams help to deliver the best user experience for millions of people every day. From over 1,000 locations around the world, we provide high-class People Flow expertise for local needs.

KONE in brief

2011

Making our vision come true

KONE provides a smooth People Flow® experience for millions of people every day.

KONE's vision is to deliver the best People Flow experience in an increasingly urban world. Responding to our customers' needs is the key to achieving our vision. We improve our understanding of these needs in order to develop innovative products and services that provide the best user experience, and to build customer relationships that last through the lifespan of our products.

We are determined to continuously improve our capabilities with regard to our customers' needs, build an innovative and engaging working environment for our employees, improve quality on all fronts and further improve environmental excellence in our business.



Matti Alahuhta
President & CEO
KONE Corporation



Key figures		1-12/2011	1-12/2010	change %
Orders received	MEUR	4,465.1	3,809.0	17.2
Order book	MEUR	4,348.2	3,597.8	20.9
Sales	MEUR	5,225.2	4,986.6	4.8
Operating income	MEUR	725.1	696.4	4.1
Operating income	%	13.9	14.0	
Cash flow from operations (before financing items and taxes)	MEUR	819.8	857.2	
Net income	MEUR	644.4	535.9	
Average number of employees		34,769	33,566	
Equipment base		850,000	800,000	

KONE in 2 minutes

KONE is a global leader in the elevator and escalator industry. We have been committed to understanding the needs of our customers for the past century, providing industry-leading elevators, escalators and automatic building doors, as well as innovative solutions for modernization and maintenance.

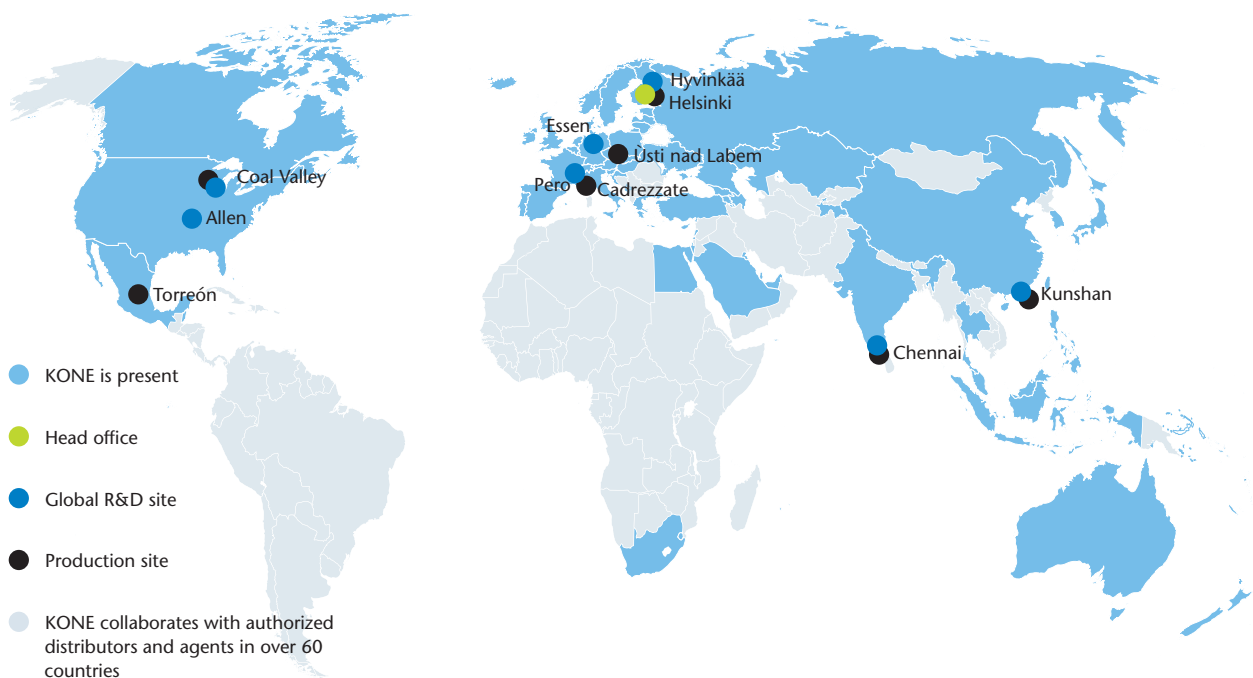
Our objective is to offer the best People Flow experience by developing and delivering solutions that enable people to move smoothly, safely, comfortably and without waiting in buildings within a rapidly urbanizing environment.

KONE serves more than 400,000 customers across the globe, the majority of whom are maintenance customers. Key customer groups are builders, building owners, facility managers, and developers. Architects, authorities, and consultants are also key parties in the decision-making process regarding elevators and escalators.

In 2011, KONE had annual net sales of EUR 5.2 billion and on average 35,000 employees. KONE Corporation's class B shares are listed on the NASDAQ OMX Helsinki Ltd in Finland.

A global leader in the elevator and escalator industry, KONE has over 1,000 offices around the world and services over 850,000 elevators and escalators globally.

KONE worldwide



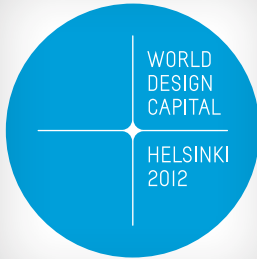
Timeline 2011

January 26

KONE publishes new long-term financial targets.

February 9

KONE announces that it will partner with World Design Capital Helsinki 2012.



April 12

KONE supplies the elevators and escalators for the Ring Rail Line stations in Finland.



April 15

KONE wins an order to supply equipment for 46 Chinese railway stations.



June 14

KONE implements escalator modernization program with Sea-Tac Airport.



July 19

KONE wins an order for a six-tower project in Ordos, China.

August 23

KONE ranks as one of the world's most innovative companies.



September 1

KONE wins an order for Heathrow Terminal 2 extension.

September 21

KONE improves People Flow® experience at Muscat International Airport in Oman.

September 28

KONE wins an order to modernize the elevators at Tour Areva in Paris.

**October 12**

KONE wins an order for Eton Place Dalian in China.

**November 14**

KONE wins an order to modernize the high vertical rise escalators at Ruoholahti metro station in Finland.

December 14

KONE wins two metro extension projects in Hong Kong.

October 10

KONE wins an order for Hong Kong's Express Rail Link.

**October 12**

KONE gets awarded a project at a New York City subway station.

November 21

KONE is selected as elevator and escalator provider for Long Beach Court Building.

December 29

KONE supplies People Flow to Kutuzovsky Business Center in Moscow.

October 21

KONE is included in CDP's Carbon Disclosure Climate Leadership Index.

December 1

KONE completes the increase of its shareholding in GiantKONE from 40% to 80%.

January 13, 2012

KONE secures University of Texas Southwestern Medical Center Project.

October 27

KONE celebrates annual People Flow Day.

**December 2**

KONE wins an order for The Leadenhall Building in London.

January 13, 2012

KONE wins an order to supply eco-efficient elevators to office buildings in Binhai New Area, China.

December 9

KONE wins an order to supply the elevators and escalators at Lishui Wandu Plaza in China.

**January 19, 2012**

KONE wins an order to supply Beijing's first maglev line.

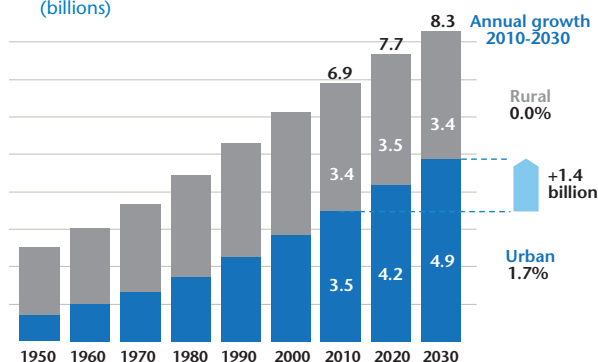
Industry megatrends

The concentration of people in urban areas will increase the importance of moving people safely and efficiently from one point to another.

Urbanization

Urbanization is the single most important megatrend within the global elevator and escalator industry. It is expected to drive demand for years to come. The concentration of people in urban areas increases the importance of moving them smoothly and efficiently from one point to another.

Population in urban vs. rural areas (billions)

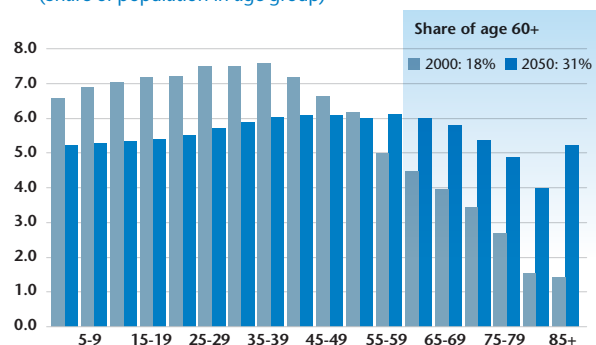


Source: U.N. World Urbanization Prospects 2009 revision; McKinsey Global Institute

Aging population

The global demographic structure is changing. The growing number of older people raises the importance of accessibility in buildings and urban infrastructure. An elevator can help elderly residents live in their apartments longer, facilitate the lives of all residents in the building, as well as add value to an existing property.

OECD population distribution by age group (Share of population in age group)



Source: OECD (Organization for Economic Co-Operation and Development) Demographic and Labour Force database

Safety

Urban infrastructure systems in certain markets are aging. National and international safety codes and standards play a key role in determining the safety level of elevators and escalators. Particularly in Europe, many countries have adopted strict standards for safety and modernization in recent years.

Environment

Buildings account for approximately 40 percent of the world's energy consumption. Elevators and escalators can account between two and ten percent of the energy consumption of an individual building. The elevator and escalator industry can play a vital role in helping to counter climate change and its negative effects by providing innovative solutions that help to reduce the energy consumption of buildings.

A tall, modern glass elevator with a black frame is installed in the central courtyard of a historic building. The building has multiple floors with balconies and terraces. The ground floor is paved with terracotta tiles. A man in a light blue shirt and dark pants is standing on the ground floor, looking at a device. A brown suitcase is on the floor next to him. The elevator is transparent, showing the interior structure and the people inside. The surrounding architecture is a mix of old and new, with traditional balconies and modern railings.

Preserving a historic building while improving accessibility

The elderly residents of Calle Calatrava 13 used to have a painful choice – take the stairs or forgo the errand. Installation of an elevator had become an urgent priority. The project came at the request of the residents, who had to rely on neighbors to perform daily tasks such as going shopping, taking out trash or just going out for a walk.

Calatrava 13 is beautiful example of early 20th century Spanish residential architecture. To minimize the impact of a modern elevator on the architectural heritage of the building, KONE installed the elevator in the central courtyard. KONE MonoSpace® with a glass panel design was the elevator of choice.

Residents are pleased. The new elevator means they are more independent and can enjoy a social life. KONE will handle all maintenance of this new elevator as part of the KONE Care™ maintenance agreement to ensure that residents of Calatrava 13 continue to enjoy their new quality of life.

Innovative People Flow solutions

People Flow® means moving people smoothly, safely, comfortably, and without waiting in and between buildings.

KONE sees People Flow from different perspectives, focusing on the movement of individuals, larger crowds of people, and goods.

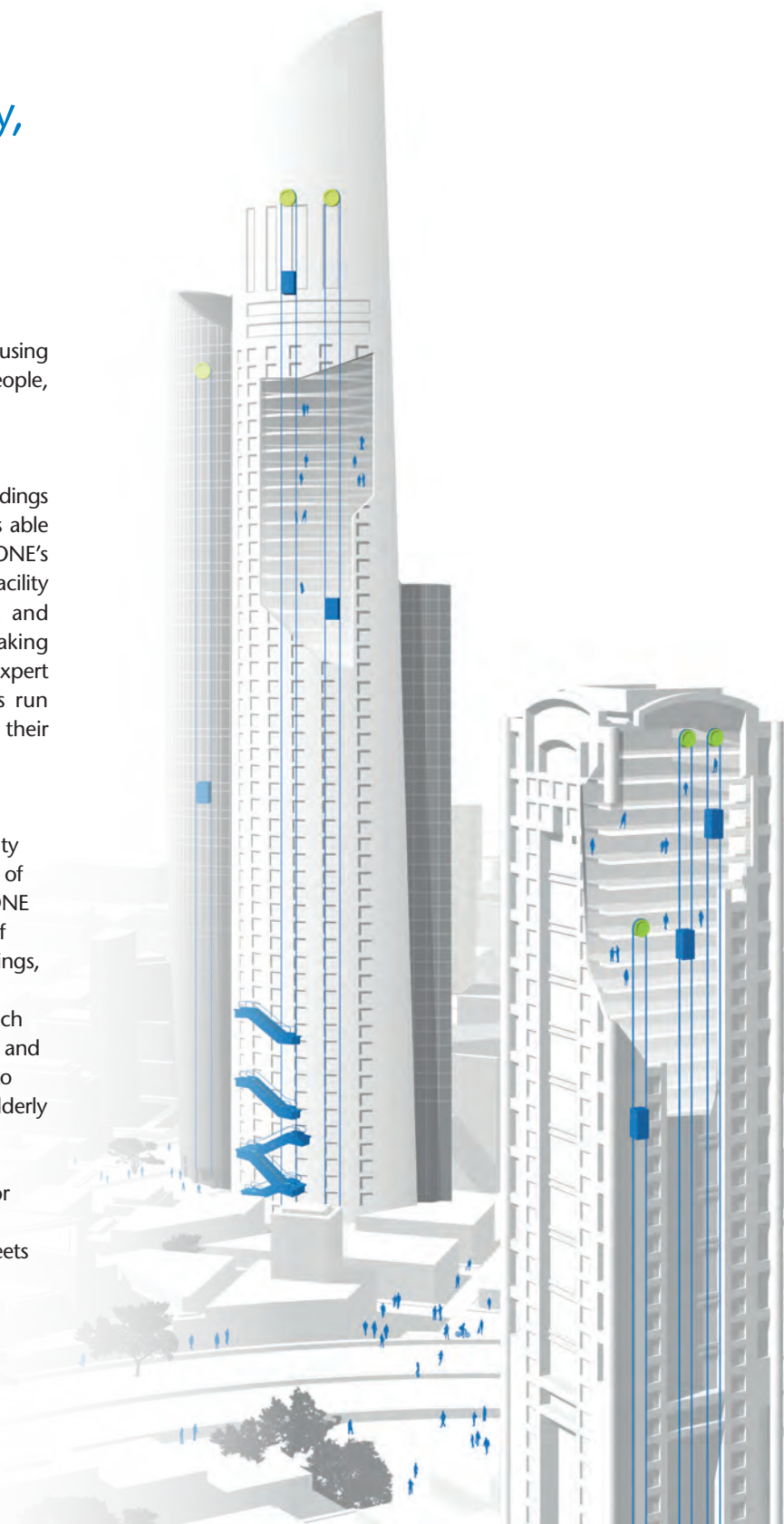
People Flow solutions for customers

By constantly analyzing the People Flow in different buildings and understanding the customer's business, KONE is able to provide the optimal solutions to its customers. KONE's key customer groups are builders, building owners, facility managers, and developers. Architects, authorities, and consultants are also key parties in the decision-making process regarding elevators and escalators. KONE's expert project management services ensure that projects run smoothly, and provide tools that help customers in their work.

Providing the best possible end-user experience

People Flow is about providing high quality accessibility for everybody. KONE knows the unique requirements of different buildings and their need for People Flow. KONE has segmented its market according to the purpose of the building. The main segments are residential buildings, hotels, office and retail buildings, infrastructure, and medical buildings. KONE also serves special sectors such as leisure and education centers, industrial properties, and ships. KONE continuously studies the flow of people to understand the needs of different end-users such as elderly and disabled people, and people with baby strollers.

With preventive maintenance, the elevator or escalator can be kept in good condition for their daily use, and modernizing ensures that the elevator or escalator meets the latest safety and accessibility standards.





In Mexico, KONE employees Tere Picazo, Gustavo Clorio, Molina Claudi and Mauricio Esponda went to observe People Flow in the Plaza Universidad shopping Center in Mexico City.

People Flow Day 2011 focused on accessibility

KONE's vision is to be an expert in transporting people through buildings smoothly, efficiently and safely, without waiting. To gain deeper insight into what this vision means in practice, KONE holds an annual People Flow Day around the world.

KONE's People Flow Day is designed to bring us closer to users and our customers. Teams of KONE employees act as researchers, talking to customers, interviewing the public, making on-site observations and filling in questionnaires. By studying exactly how, where and why people move in buildings during a typical weekday, our employees gather first-hand information on both the user and customer experience.

In October 2011, People Flow Day was organized in over 30 countries. KONE employees participating in the event paid special attention to the accessibility challenges faced by different user groups, such as wheelchair users, visually impaired persons, senior citizens, busy people and families with young children.

Majestic transformation along the Seine River

Tour AXA is located in the business district of Paris. The previous owners wanted to revive the area with a soaring new building. Rather than demolish the existing tower, the building would be stripped down and a new tower designed and constructed around the old metal framework. The changes needed to be dramatic, but done quickly in a congested area of Paris.

Equipment and supply deliveries had to be quick and efficient. On-site storage was one of the biggest challenges. KONE used a vertical storage method to reduce the area needed for the equipment and carefully planned the installation tasks to minimize handling.

The new tower, renamed Tour First, is now France's tallest skyscraper with very high goals for eco-efficiency. KONE implemented its latest innovations to help meet the strong environmental requirements. Twelve elevators and the two freight elevators use KONE regenerative drive technology. KONE also implemented a standby mode solution to further reduce energy consumption by turning off car lighting and floor signalization when not in use.



Evolving eco-efficiency

KONE provides innovative energy-efficient solutions

KONE offers industry-leading escalator, elevator, and door solutions that help save energy and costs. For example, KONE solutions can reduce energy consumption by up to 70% compared to an older elevator and up to 40% compared to an older escalator.

During 2010, KONE reached its ambitious target to cut the energy consumption of its new elevators by 50%. This was achieved by developing eco-efficient hoisting machines, regenerative drives, LED lights, and standby solutions. Furthermore, KONE elevators have been awarded the A-class energy rating according to the VDI (Verein Deutscher Ingenieure) energy consumption standard.

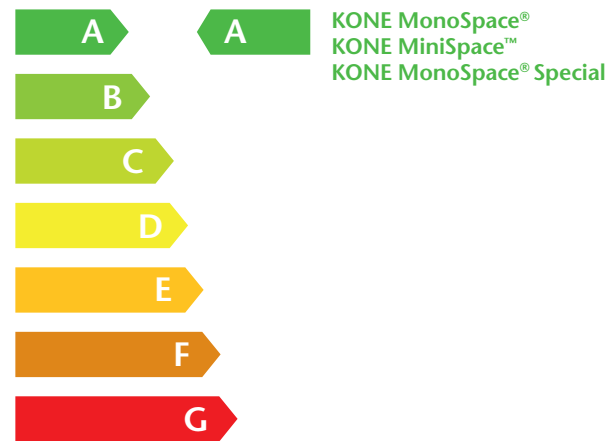
Eco-efficiency plays a key role in all KONE services

KONE provides services to help its customers achieve their eco-efficiency goals in every phase of their building's lifecycle – from designing and constructing the building to maintaining and modernizing it. KONE constantly monitors how its services are produced and delivered, and develops ways of further reducing their environmental impact.

Focus on the environment in KONE operations

KONE works to improve internal processes in areas such as manufacturing, logistics, and travel, as well as installation and maintenance in order to improve the eco-efficiency of its own operations. KONE also focuses on improving material efficiency, as well as minimizing waste, water use, and the use of hazardous substances. The same commitment to environmental excellence is also expected from KONE's partners and suppliers.

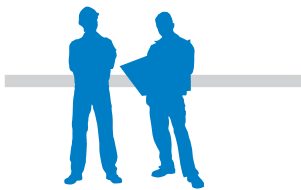
KONE elevators have been awarded the A-class energy-efficiency rating.



Five ways to make an elevator eco-efficient

- 1. A green hoisting system:** 50–70% energy savings compared to conventional technology
- 2. Regenerative drive:** Up to 35% energy savings
- 3. Eco-efficient lighting:** 80% more efficient than halogen lights
- 4. Standby solutions:** Saving energy when the elevator is not in use
- 5. Destination control system:** Optimizes traffic, reducing the size and amount of elevators

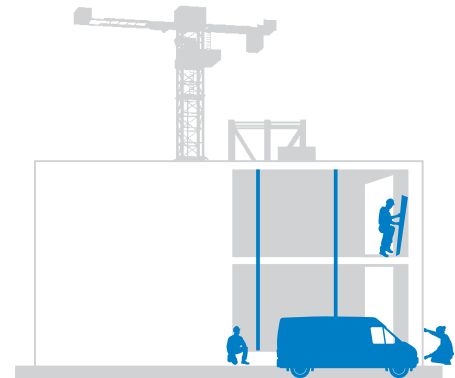
Life cycle services



Design services

Project planning and specification:

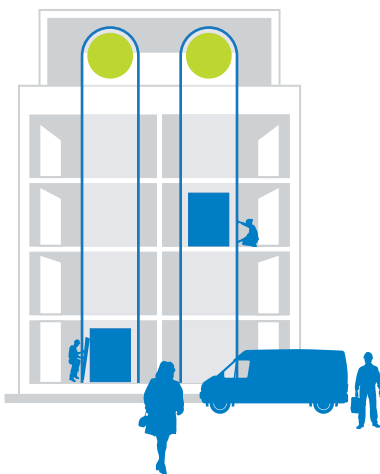
KONE's traffic analysis, planning services and tools help to define the optimal number of equipment and layout for different building types.



Construction services

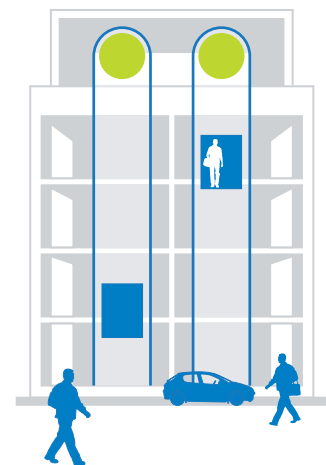
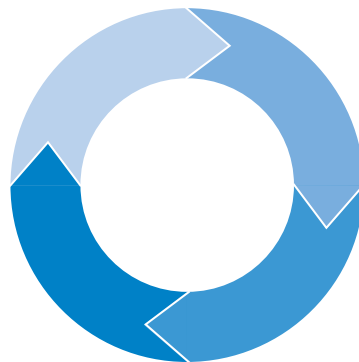
Project management and installation

services: KONE's experienced project management teams guarantee smooth coordination with all parties involved in the project. KONE's scaffold-less installation methods also save installation time and costs.



Modernization services

Equipment assessments: KONE Care-for-Life™ helps customers determine when and how to modernize equipment with thorough inspections of the safety, accessibility, reliability, energy efficiency, and appearance of a building's escalators and elevators.



Maintenance services

Maintenance and monitoring: KONE offers maintenance and monitoring solutions that maximize reliability and safety, while minimizing downtime and costs. The 24/7 KONE Customer Care Center™, dedicated and experienced KONE service technicians and the KONE Modular Based Maintenance method guarantee the optimal service for all elevators, escalators and doors.



Boosting construction-time efficiency

The Shard is the first phase of the London Bridge Quarter, a new commercial district. KONE has been involved in this impressive project from the very beginning, where sustainability has been a clear priority. Once completed, in May 2012, this unique building will rise to 310 meters - over twice the height of the London Eye observation wheel.

As a vertical transportation solution provider, KONE is an integral part of a construction project from planning to installation. To help avoid costly and time-consuming changes at later stages, good planning is vital in any construction project. KONE constantly studies new technologies in order to benefit the customer starting from as early as the logistics process.

To boost construction time efficiency, it was decided to utilize KONE's advanced JumpLift technology. The KONE JumpLift uses the building's permanent hoistway during construction as soon as the first floors are complete. A temporary machine room moves upwards, or 'jumps' in the hoistway as construction progresses.

Construction time use elevators such as the KONE JumpLift can bring huge efficiency gains, resulting in hundreds, even thousands, of saved hours. The KONE JumpLift's unique scaffoldless installation method, combined with the improvements in safety and energy efficiency it provides, make it an invaluable tool for a wide variety of modern construction projects and their end-users.

Professional maintenance 24/7

Hilton Worldwide, with more than 3,600 hotels, is one of the largest global hospitality chains. Getting to or from a guest room with luggage and without delay is a crucial element of any hotel or resort experience – and one that is a reflection of the overall hotel brand impression.

Hilton chose KONE as a strategic partner largely based on its maintenance offerings. Safety and quality are top priorities for both companies.

KONE Modular Based Maintenance™ (MBM) method is the heart of KONE's maintenance program, ensuring that elevators and escalators always operate at peak safety and performance. MBM guarantees that maintenance is done on a timely basis to avoid future problems.

Timely maintenance also means it is carried out at times that minimize inconvenience to hotel guests, meeting participants and staff. Some of Hilton Worldwide's luxury hotels and full-service hotels expect rapid 24/7 response time. In other categories, maintenance can be done during low-traffic times in the middle of the day, for instance.



Maintenance and modernization

The KONE service crew combines technical know-how with creative problem-solving skills to deliver high quality services.

Service technicians dedicated to People Flow®

KONE has over 12,000 service technicians working on thousands of sites every day. With their integrity, expertise and dedication, KONE service technicians make sure that elevators, escalators, and doors run smoothly and safely. In order to keep the skills and capabilities of its technicians on a high level, KONE offers continuous local and global learning programs for them.

Taking care of people by taking care of technology

KONE provides maintenance solutions to a wide range of clients. The level of maintenance a customer might need depends on many factors, such as the age and on the usage of the equipment. KONE offers maintenance solutions to suit all requirements, from single residential buildings to large international airports.

KONE Modular Based Maintenance™ method is the most advanced preventive maintenance method in the industry, and covers all elevator and escalator technologies regardless of age, brand, or complexity. Based on the comprehensiveness and services needed for a certain building and the People Flow in it, customers can choose the KONE service package best suitable for them.

Aging equipment in need of modernization

Eventually, all equipment ages. It is estimated that for instance in Europe, more than two-thirds of all elevators and escalators in operation are over 20 years old and in need of modernization.

KONE offers modernization solutions ranging from individual elevator and escalator parts all the way to full replacement solutions for almost the entire elevator and escalator installation. Besides increased safety and accessibility, modernization can also improve the elevators space and energy efficiency and aesthetics, thus improving the quality of life for all end-users, but also increasing the overall value of the building.

Ambassador mindset

KONE's Ambassador Program educates employees on how to deliver great customer experience through positive and professional behavior and communication. The target of the program is to develop our employees' skills and capabilities, and improve customer loyalty. KONE Ambassador is run on a continuous bases. All KONE field employees have completed the training and it has been expanded to cover the entire KONE personnel.

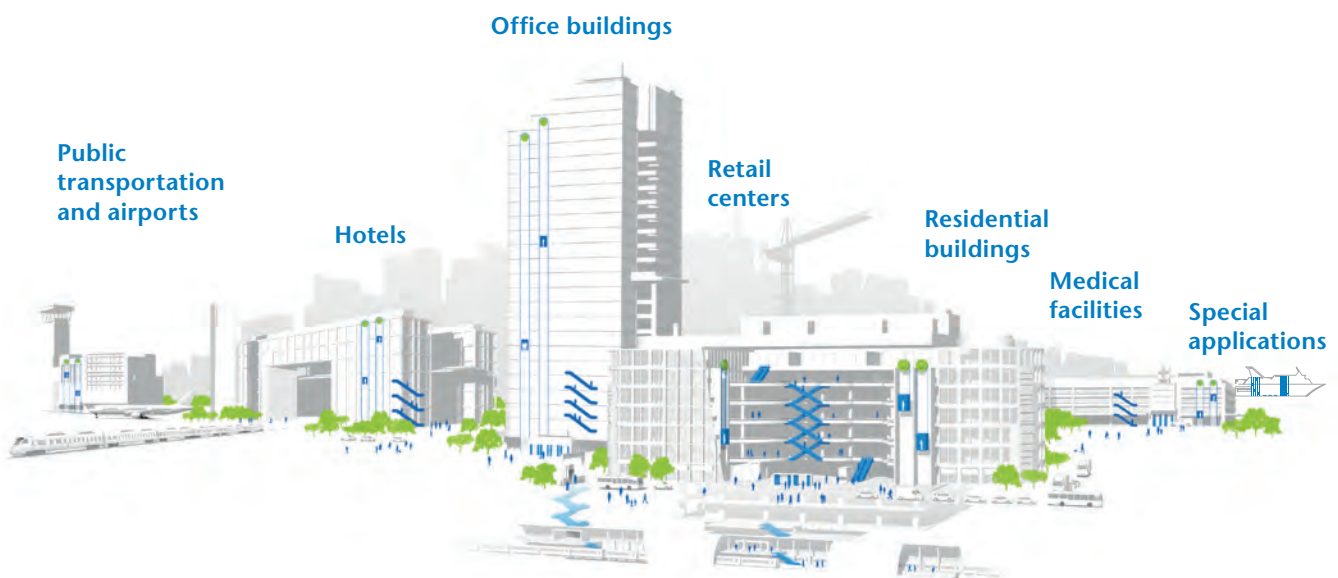
Solutions for every building

KONE solutions for smoother People Flow

KONE's advanced People Flow® solutions are known for their industry leading eco-efficiency, design, and technology. With its wide range of innovative solutions, including elevators, escalators, autowalks, automatic doors, monitoring and access control systems, KONE ensures a smooth flow of people in different types of buildings.

KONE has segmented its market according to the purpose of the building. The main segments are residential buildings, hotels, office and retail buildings, infrastructure, and medical buildings. KONE also serves special sectors such as leisure and education centers, industrial properties, and ships.

KONE understands the special requirements of different buildings and the unique People Flow needs inside them.



A proven leader in technology and design

The combination of functionality, usability, and aesthetics create the perfect user experience.

A history of innovation

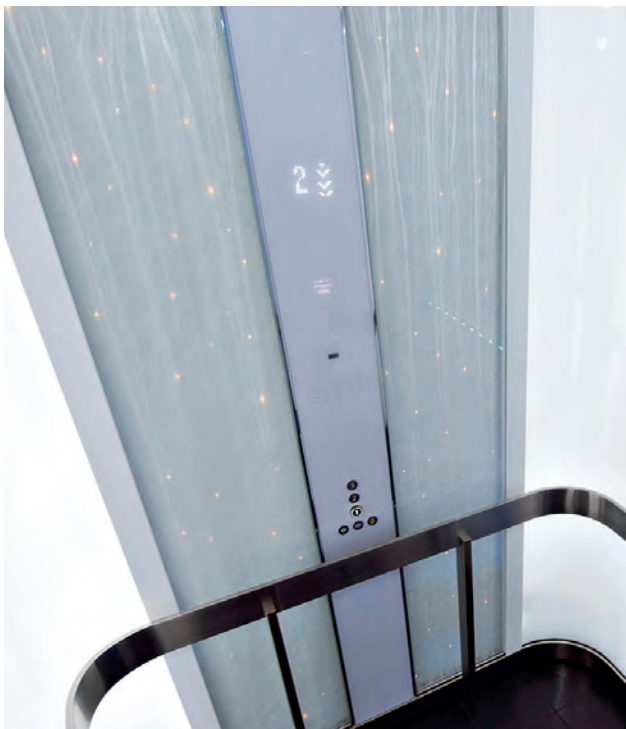
KONE's history of innovation is one of the company's success factors. Throughout its history, KONE has always made systematic and long-term investments into its R&D capabilities. In its striving towards serving customers to perfection, KONE also explores technologies in other industries, and monitors changing markets, trends, customer needs, and working methods. Celebrating its 100-year anniversary in 2010, KONE has proven its ability to adapt to a changing world as well as to create new opportunities for the company to grow.

KONE raises design to new heights

KONE believes that the elevator user experience should be more than a ride. KONE focuses on the design of its solutions in order to give passengers an experience that stays in their minds and adds value for the building and its users.

By combining various interiors, lighting, and components it is possible to create a unique look and feel to suit any type of building. With the right solutions, the building's architectural appearance can continue from the façade, through the lobby, and into the elevators.

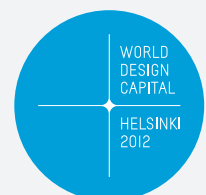
KONE can also help its customers create completely unique designs. In addition to choosing a suitable solution from the award-winning KONE design collections, the customer and KONE can together create a customized design based on a wide selection of materials and components.



KONE partners with World Design Capital 2012

KONE is proud to be one of the main corporate partners of the World Design Capital Helsinki 2012 project. The World Design Capital is an initiative of the International Council of Societies of Industrial Design (Icsid), who awards the World Design Capital city title every other year.

The World Design Capital initiative promotes and supports the cultural, social and financial uses of design. The focus of WDC 2012 will be on embedding design in life, promoting innovative and sustainable design and design's impact on urban spaces, economies and citizens.



KONE's industry-leading innovations

KONE is committed to offering innovative People Flow® solutions that make traveling within and between buildings as smooth as possible.

Tytyri – the world's highest elevator test shaft

- KONE's elevator test laboratory in Lohja, Finland, is situated partly underground in a limestone mine.
- Reaching down to 350 meters below the surface, the mine provides an ideal testing environment for high-rise elevators.
- KONE's test shaft enables testing of elevators with a travel distance of 317 meters and a theoretical maximum speed of 17 m/s.

1996

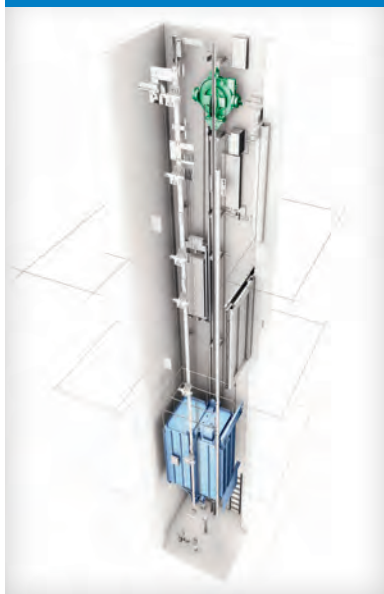
1998

2000

2002

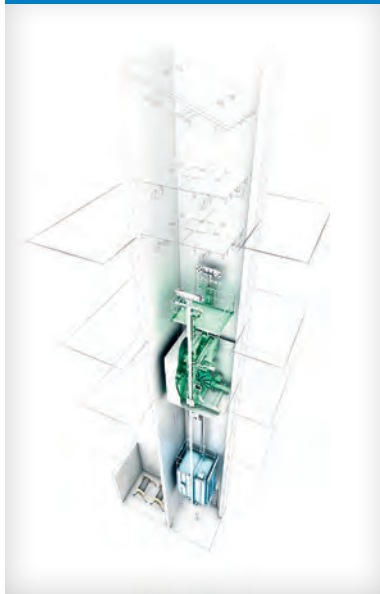
1996

The KONE MonoSpace® machine-room-less elevator eliminates the need for space-consuming machine rooms.



2001

The KONE JumpLift construction time elevator enables builders to install the elevator car and shaft even as high-rise buildings are being constructed.



2002

KONE EcoMod™ escalator modernization delivers new technology without expensive and disruptive removal of the truss.



2006

The KONE InnoTrack™ autowalk is easy to install without making changes to floor structures.



2004

2006

2008

2010

2005

The KONE MaxiSpace® modernization solution offers up to a 50% more spacious car in an existing shaft.



2007

The KONE Polaris™ destination control system increases elevator handling capacity and reduces waiting.



2008

The KONE IDE300™ access system integrates automatic building doors and elevators, providing easy access to buildings and elevators.





KONE Corporation

Head Office

Kartanontie 1
P.O. Box 8
FI-00331 Helsinki
Finland
Tel. +358 (0)204 751
Fax +358 (0)204 75 4309

Corporate Offices

Keilasatama 3
P.O. Box 7
FI-02151 Espoo
Finland
Tel. +358 (0)204 751
Fax +358 (0)204 75 4496

www.kone.com

Read about KONE's
operations in these publications

