



KONE Capital Markets Day 2008

# KONE Americas

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# KONE Americas



- Growth industry
- Growth business
- Customer-driven



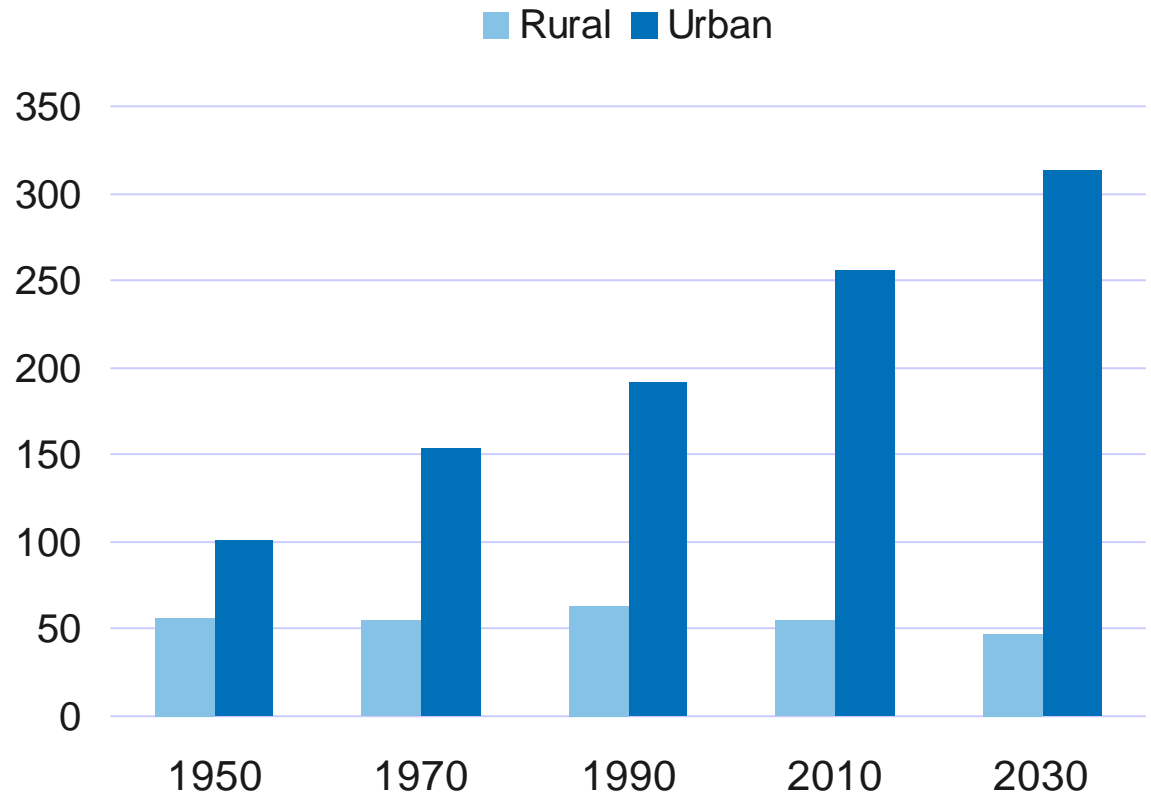
- Mixed view of construction activity
  - Single family housing and speculative building weak
  - Retail construction slowing
  - Office, industrial, lodging, transportation solid
  - Non-residential U.S., Canada and Mexico high single digit growth
  
- Capital markets and liquidity bottoming
  - Extremely aggressive Federal Reserve
  - Strong government stimulus
  - U.S. political environment driving infrastructure spending



# Urbanization drives construction



## USA - growth in urban areas

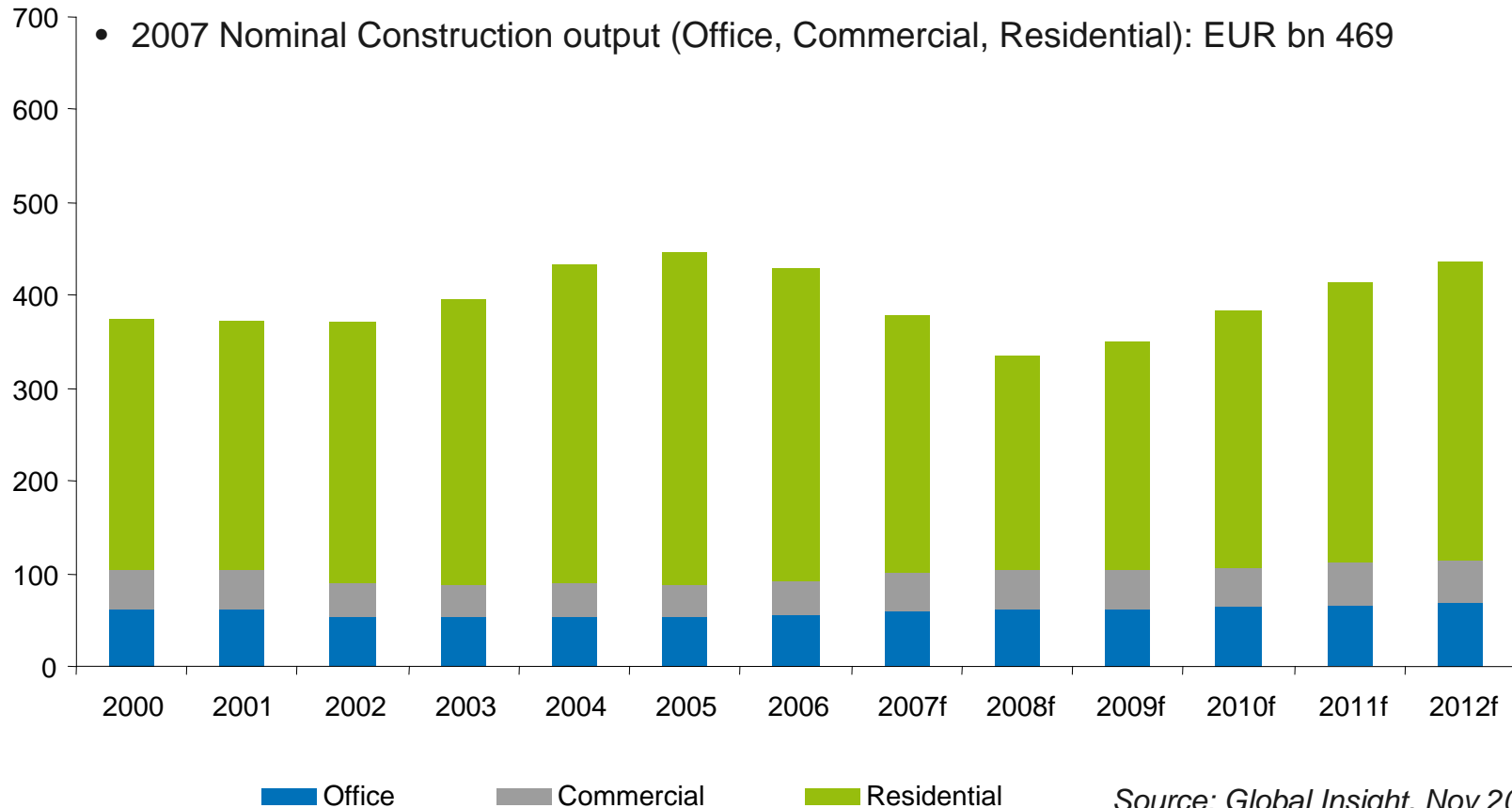


Source: U.N. World Urbanisation Prospects 2007

# 2000 – 2012 North America construction activity



## Office, commercial and residential construction activity, real EUR bn



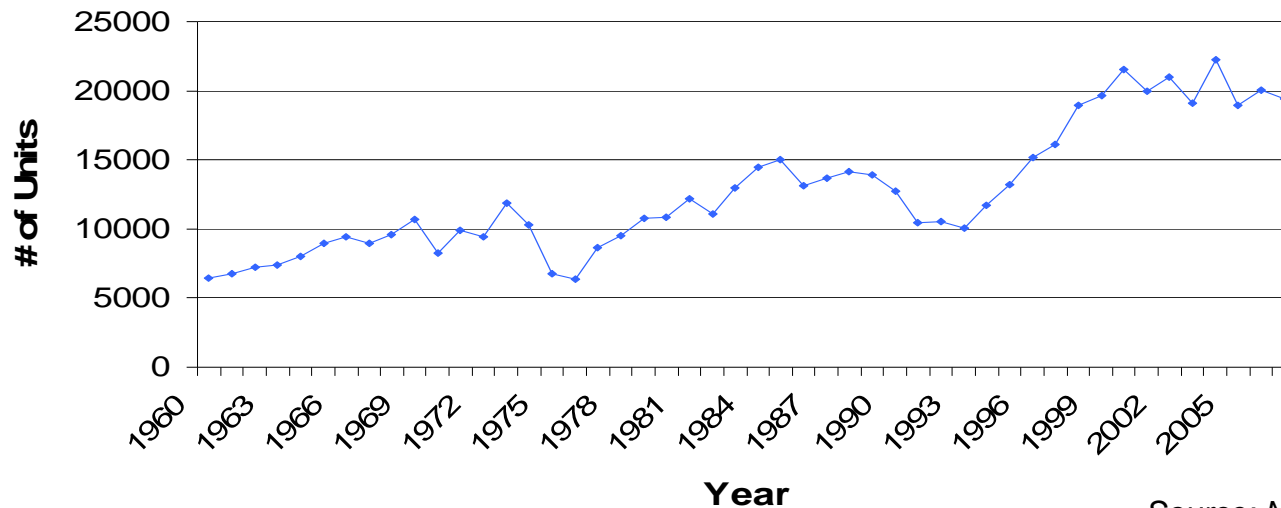
NOTE: The figures presented in the graph are real bn EUR figures, converted from USD 2000 real figures using recent conversion rates

# Existing building market growing



- Every unit requires parts & maintenance
- Old buildings need to modernize
- Over 300,000 units more than 15 years old
- Existing buildings drive 2/3 of KONE Americas business

**Annual Elev. and Esc. Installed From 1960**



Source: NEII 2007 Report



Growth business

# KONE growth drivers



- Increasing share of KONE customers
- Improving Major Project capabilities
- Strengthening position in existing geographical markets
- Entering new North American geographical markets



# KONE Major Projects story



Trump Tower  
Chicago, IL  
3/2005



Oklahoma St  
Univ. Stadium  
Stillwater, OK  
5/2005



900 Biscayne  
Miami, FL  
9/2005



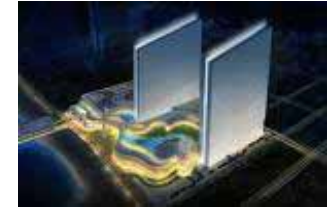
Yankee  
Stadium  
New York, NY  
4/2006



Yale New Haven  
CT Hospital  
1/2007



Jamaica Van  
Wyck Station  
New York, NY  
1/2007



Revel  
Entertainment  
Hotel Tower  
Atlantic City,  
NJ

2005

2006

2007

2008



Met 1 Condo  
Miami, FL  
4/2005



55 West  
Condo  
Orlando, FL



Skyscape  
Minneapolis,  
MN  
8/2005



300 N LaSalle  
Chicago IL,  
7/2006



St. Regis  
Hotel Atlanta,  
GA 2/2007



Mandarin  
Oriental Tower  
Chicago, IL  
7/2007

# Strengthening market presence



- Opportunities in Major Markets
  - Strengthened sales & operations teams
  - Single digit share in 75% of the top 20 markets
  - Significant increase in orders in key markets
    - Las Vegas
    - New York City
    - Chicago
    - Atlantic City
    - Toronto
    - Mexico City
- Opportunities in “New” Markets
  - Over 20 markets with little past focus
    - >750M USD market potential for our business
- We will grow organically and through service company acquisitions



Customer-driven

# Creating a customer-driven business



- Organizing for growth
- Establishing strategic partnerships
  - Dedicated teams serving key customers
  - Integrated selling across business lines
- Customer-driven solutions
- Improving operational excellence



# Organizing for growth



- Integrated district and branch structure
  - Addressing local nature of our business
  - Leader in each market responsible for full business
- Small regional leadership teams
  - Focused on driving performance, developing people
  - Structured to support doubling of business
- Central teams
  - Drive KONE Way initiatives, consistent operations
  - “Back Office” functions and support
- Americas Headquarters established in Chicago
  - Integrated leadership team for all Americas
  - Significantly improved access to customers
  - Attract, develop and retain diverse talent

# KONE Americas



# Customer-Focused Solutions



- Customers are asking for:
  - Solutions that deliver improved performance, reduced energy usage
  - Competence to modernize buildings with minimal disruption
  - Facts to validate sustainability– energy savings, regenerative impact
- KONE already a leader in sustainability
  - KONE: First to join U.S. Green Building Council
  - KONE: First to stop manufacturing hydraulic elevators in Americas
  - KONE: First to deliver modular escalator modernization solutions



**Inventor of MRL  
Technology**



**Escalator  
Modernization**



**Eco-  
Efficient™  
Packages**

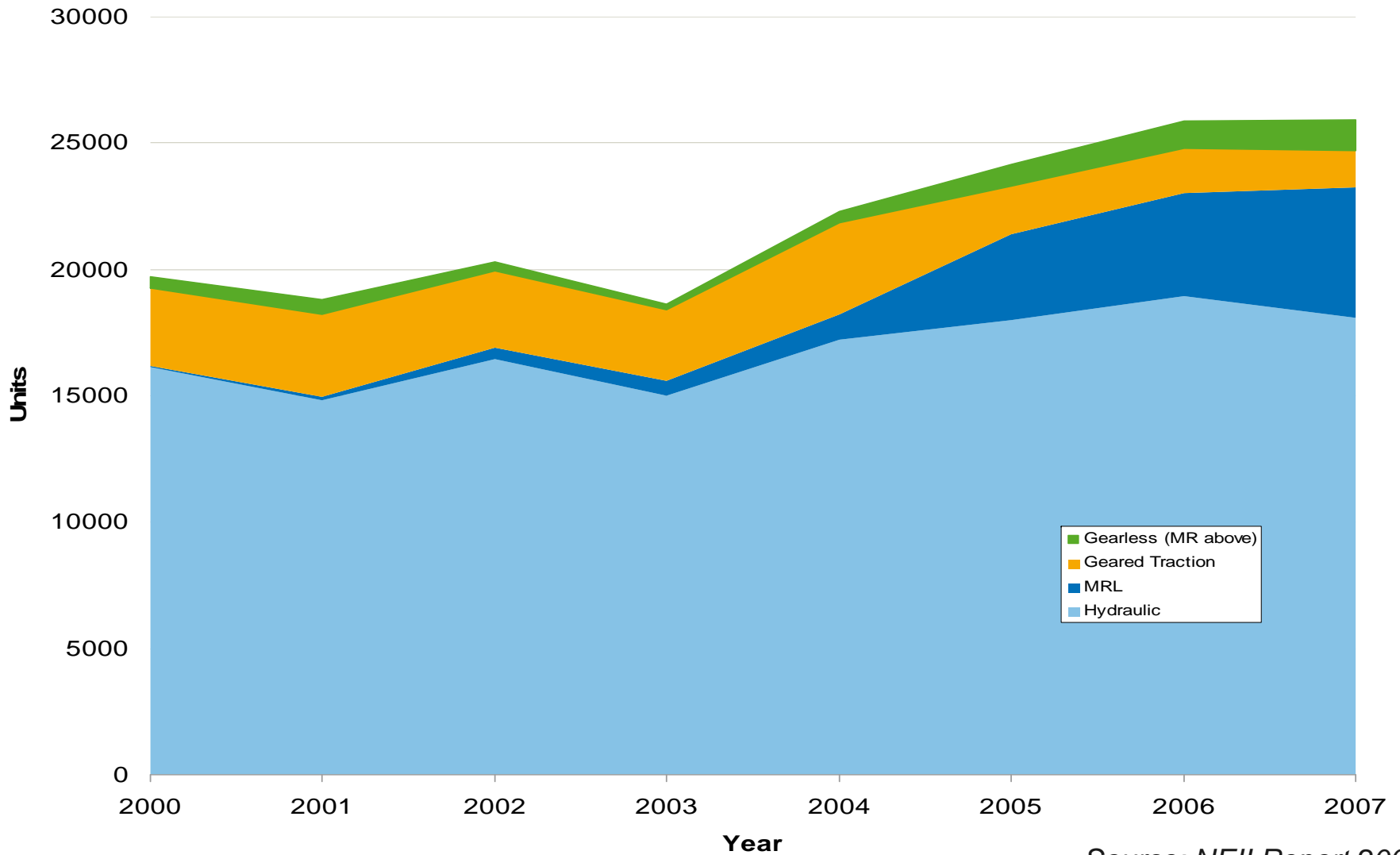
# KONE Eco-Efficient™ Solutions



- KONE EcoSpace® for Low-Rise
  - Introduced in 2003
  - EB (Existing Buildings) launched Q108
- KONE EcoMod™
  - Escalator modernization technology
  - Awarding winning projects
- KONE ReSolve™ w/Unity Drive
  - Modernization application for controls and regenerative drive



# Machine-room-less (MRL) market share growing



# Improving Operational Excellence



- Customer marketing tools
  - KONE.com
- Managing customer relationships
  - Salesforce.com
- Improving installation consistency & productivity
  - Installation Back Reporting Tool
  - Improved logistics & packaging
- Improving service consistency & productivity
  - Modular Based Maintenance 2
  - Innovative Mapping System

# Continuous growth opportunities in Americas



- Commercial building markets continue to grow
- We have strong opportunities to grow our business profitably
- We have strong actions to strengthen our customer focus
- We are well positioned for long-term profitable growth

[www.kone.com](http://www.kone.com)

