Dedicated to People Flow™

KONE

User-centric design drives new People Flow Intelligence solutions.

The new and intuitive touchscreen KONE Destination Operating Panel (DOP) now brings the swiping revolution to elevator users.

KONE Q4

FINANCIAL STATEMENT BULLETIN 2013

KONE's January–December 2013 review

October–December 2013: Strong development on a broad basis

- In October–December 2013, orders received totaled EUR 1,473 (10–12/2012: 1,321) million. Orders received grew by 11.5% at historical exchange rates and by 16.0% at comparable exchange rates.
- Net sales grew by 9.4% to EUR 2,033 (1,858) million. At comparable exchange rates the growth was 13.1%.
- Operating income was EUR 292.8 (257.4) million or 14.4% (13.9%) of net sales.
- Cash flow from operations was EUR 240.8 (266.6) million.

January–December 2013: Strong overall progress

- In January–December 2013, orders received totaled EUR 6,151 (1–12/2012: 5,496) million. Orders received grew by 11.9% at historical exchange rates and by 14.1% at comparable exchange rates. The order book stood at EUR 5,587 (Dec 31, 2012: 5,050) million at the end of December 2013.
- Net sales grew by 10.4% to EUR 6,933 (6,277) million. At comparable exchange rates the growth was 12.6%.
- Operating income was EUR 953.4 (828.7) million or 13.8% (13.2%) of net sales (1–12/2012 figures exclude a one-time cost of EUR 37.3 million related to the support function development and cost adjustment programs).
- Basic earnings per share was EUR 1.37 (1.17). The comparable basic earnings per share excluding one-time items was EUR 1.37 (1.23).
- Cash flow from operations was EUR 1,213 (1,071) million.
- In 2014, KONE's net sales is estimated to grow by 6–9% at comparable exchange rates as compared to 2013. The operating income (EBIT) is expected to be in the range of EUR 980–1,050 million, assuming that translation exchange rates do not materially deviate from the situation of the beginning of 2014.
- The Board proposes a dividend of EUR 1.00 per class B share for the year 2013.

KEY FIGURES

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´. For further information please see pages 24 and 25.

		10–12/2013	10–12/2012	change	1–12/2013	1–12/2012	change
Orders received	MEUR	1,473.2	1,321.3	11.5%	6,151.0	5,496.2	11.9%
Order book	MEUR	5,587.5	5,050.1	10.6%	5,587.5	5,050.1	10.6%
Sales	MEUR	2,033.0	1,857.7	9.4%	6,932.6	6,276.8	10.4%
Operating income (EBIT)	MEUR	292.8	257.4	13.7%	953.4	828.7 [1]	15.1%
Operating income (EBIT)	%	14.4	13.9		13.8	13.2 [1]	
EBITA	MEUR	297.9	264.3		973.6	861.5 [1]	
EBITA	%	14.7	14.2		14.0	13.7 [1]	
Cash flow from operations (before financing items and taxes)	MEUR	240.8	266.6		1,213.1	1,070.8	
Net income	MEUR	185.8	183.0		713.1	611.0	
Basic earnings per share	EUR	0.36	0.35		1.37	1.17	
Interest-bearing net debt	MEUR	-622.0	-574.0		-622.0	-574.0	
Total equity/total assets	%	43.7	47.1		43.7	47.1	
Gearing	%	-36.1	-31.3		-36.1	-31.3	

[1] Excluding a MEUR 37.3 one-time cost related to the support function development and cost adjustment programs.

KONE's January–December 2013 review

Matti Alahuhta, President and CEO, in conjunction with the review:

"Our business development was very strong in the last quarter of the year. Orders received grew by 11.5% at historical and by 16.0% at comparable exchange rates to EUR 1,473 million. Orders received growth was driven by a positive development in all geographical regions. Sales grew by 9.4% at historical and by 13.1% at comparable exchange rates to EUR 2,033 million. Sales grew in all regions. Operating income grew by 13.7% to EUR 293 million, or 14.4% of sales, driven primarily by continued strong sales growth in Asia-Pacific and a good business development in North America. Cash flow was at a good level of EUR 241 million.

Our performance was strong also for the full year 2013. Orders received grew by 11.9% at historical and by 14.1% at comparable exchange rates to EUR 6,151 million, and sales by 10.4% and 12.6%, respectively, to EUR 6,933 million. Operating income grew by 15.1% and reached EUR 953 million,13.8% of sales. Cash flow was at a record-high level of EUR 1,213 million.

I am very pleased with our progress in 2013. We again achieved faster than market growth in key growth markets, and were also able to sustain a solid performance in the most difficult regions. With focused efforts, we have been able to improve our operational performance and quality across the company. I want to express my thanks to all KONE employees for their effort!

In 2013, new equipment market growth was driven by Asia-Pacific, China in particular. The growth of the Chinese market picked up again in the last quarter of the year, resulting in a full-year market growth rate of slightly above 15%. KONE's growth in China was clearly higher, leading again to increased market share. In North America, the recovery of the market continued. In Europe, the uncertainty of the market environment decreased towards the end of the year, but development in both the new equipment and modernization markets was still weakening. The persisting low new equipment volumes continued to impact the market also through intensified price competition in maintenance and modernization.

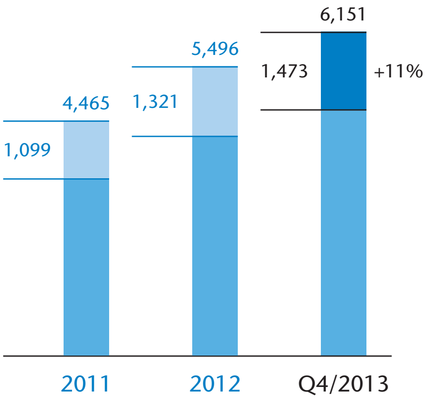
In 2014, in new equipment, we expect to see clear growth in Asia-Pacific, with an expected market growth of approximately 10% in China. The market in the EMEA region is expected to grow slightly, although demand in Europe is likely to still decline slightly. The market in North America is expected to continue to grow. In modernization, we expect the market to grow slightly, and most maintenance markets are expected to continue to develop rather well.

Our three-year development programs have proved to be a very effective way to develop competitive assets. We completed our previous set of three-year development programs at the end of the year. During these years, the satisfaction of our customers and employees improved, the competitiveness of our solutions advanced further, the development of our service business made significant progress, and the quality of our delivery chain clearly improved. We are now starting work with already the fourth set of development programs. The start of new programs has become a symbol of a beginning of a new phase to us.

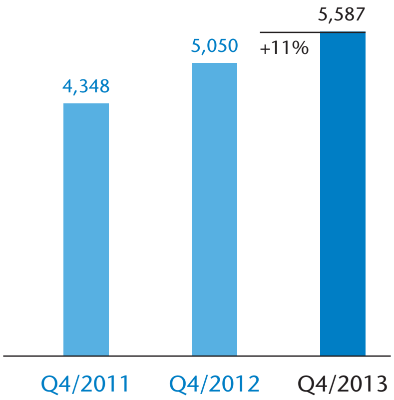
Uncertainty in the weak markets diminished towards the end of the year. This, coupled with the outlook on growth markets remaining positive, make us look to the new year with confidence."

Key Figures

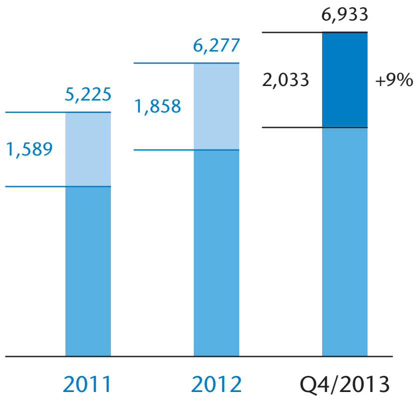
Orders received (MEUR)



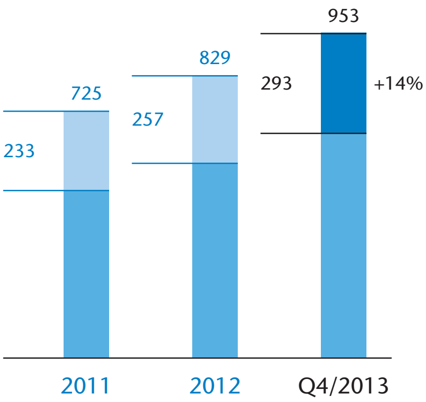
Order book (MEUR)



Sales (MEUR)

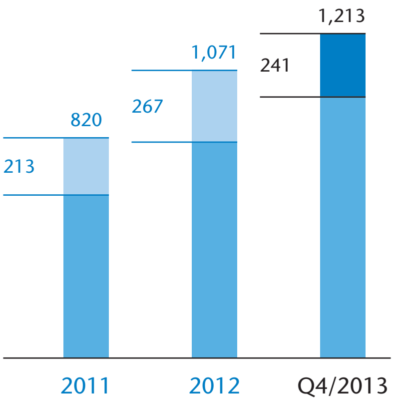


EBIT[1] (MEUR)



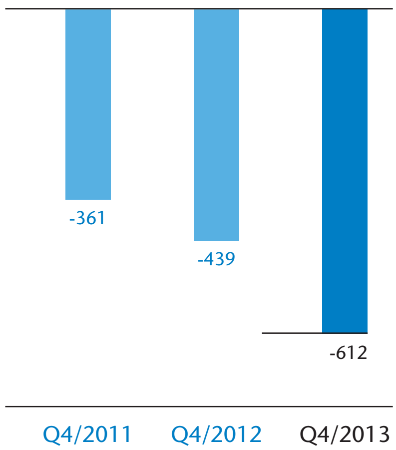
1) Operating profit excluding one-off items

Cash flow[2] (MEUR)



2) Cash flow from operations before financing items and taxes

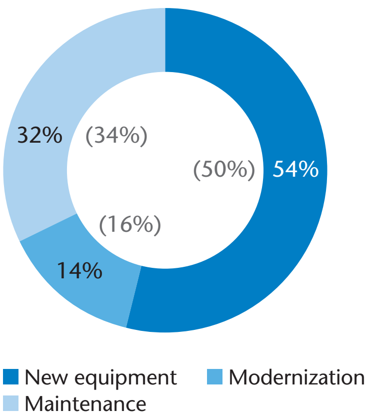
Working capital[3] (MEUR)



3) Including financing and tax items

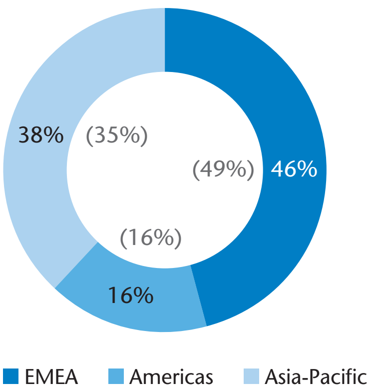
EBIT, cash flow and working capital for 2012 have been restated according to revised IAS 19.

Sales by business



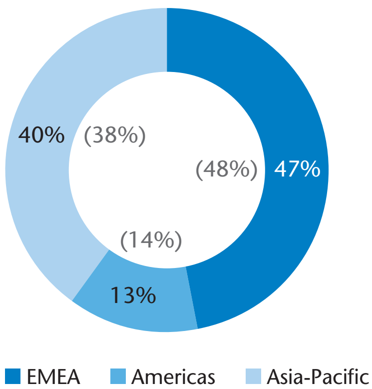
1–12/2013 (1–12/2012)

Sales by area



1–12/2013 (1–12/2012)

Personnel by area



Dec 31, 2013 (Dec 31, 2012)

KONE's January–December 2013 review

Accounting Principles

The information presented in this report is based on the audited KONE 2013 Financial Statements which have been released together with this report. KONE Corporation's financial statement bulletin has been prepared in line with IAS 34, `Interim Financial Reporting´. KONE has applied the same accounting principles in the preparation of the financial statement bulletin as in its Financial Statements for 2013.

October–December 2013 review

Operating environment in October–December

In the last quarter of 2013, the new equipment market growth accelerated in Asia-Pacific, while market development in other regions was largely unchanged. New equipment demand in the Europe, Middle East and Africa (EMEA) region was overall rather stable. In North America, market growth continued. The major projects segment remained active globally. The modernization market grew slightly. Maintenance markets grew in most countries, although at low rates in such countries, where new equipment activity has been weak for the past years.

In the EMEA region, the new equipment market in Central and North Europe declined slightly. Growth was seen in the residential and office segments, the latter driven by individual large projects, but infrastructure activity was at a low level. New equipment demand grew in Germany and Great Britain. The market was rather stable in Switzerland, Austria and Sweden, but saw a decline in most other countries. In Russia, the market grew. In South Europe, new equipment demand continued to decline with negative development seen in all segments. New equipment volumes continued to decline compared to the previous year in Spain, Italy, and France. The market in Italy and Spain stabilized sequentially at a very low level. In Turkey and the Middle East, new equipment demand continued to grow. The modernization market grew somewhat in Central and North Europe but weakened further in South Europe. The maintenance market grew, although with significant variation between countries.

In North America, new equipment demand continued to grow. In the United States, the growth of the new equipment market continued, driven by the residential and office segments. Demand was stable in Canada, but declined in Mexico. Modernization activity grew slightly. The maintenance market continued to grow slowly as a result of low volumes in new equipment in the prior years.

In the Asia-Pacific region, the new equipment market continued to grow. In China, the market growth accelerated in the last quarter of the year. The major driver of market growth was demand in residential construction, excluding affordable housing. Demand in affordable housing declined slightly in the quarter, but remained a major segment in terms of market volume. Other residential segments grew both in lower- and higher-tier cities. The growth rate was lower in larger cities, where the Chinese government's measures aimed at managing the development of housing prices have dampened demand, but also there the residential construction saw continued increase in activity. In addition to the residential segment, also other commercial segments continued to grow. The infrastructure segment was stable with a good level of activity in metro and airport projects. In India, market growth continued, driven primarily by the residential segment as well as strong activity in large projects. In Australia, both new equipment and modernization demand were stable. The Southeast Asian new equipment markets grew somewhat, with Malaysia, Thailand and Indonesia contributing to the increase. Maintenance markets in Asia-Pacific continued to grow following the positive development of the new equipment market in the region.

In the fourth quarter, pricing competition continued to be intense on many markets. In China, new equipment pricing remained very competitive. In the EMEA region the pricing environment in new equipment was the most challenging in South European markets with persisting low volumes. The pricing of new equipment in North America was relatively stable. In maintenance and modernization, the pricing environment was characterized by very intense competition in the EMEA region, particularly in South Europe and also in some of the Central and North European markets. Also in North America, price competition remained intense in the service business, particularly in the non-residential segments.

Financial performance in October–December

Orders received grew by 11.5% as compared to October–December 2012, and totaled EUR 1,473 (10–12/2012: 1,321) million. At comparable exchange rates, KONE's orders received increased by 16.0%. The margins of orders received remained largely unchanged at the good level of the first three quarters of the year.

New equipment orders received grew significantly. The growth rate was at a good level in both the volume business and the major projects business. Modernization orders received grew clearly. KONE does not include maintenance contracts in orders received.

Orders received grew significantly in Asia-Pacific, with the highest growth rates in India, Singapore, Malaysia, and China. Orders received grew clearly in the EMEA region, with growth in Central and North Europe, South Europe as well as the Middle East. The most positive development was seen in Great Britain, Germany, and Russia. KONE's order intake grew strongly in North America, with growth in all countries in the region.

During the reporting period, KONE's largest orders received included two orders in London, where KONE won an order to supply 45 elevators for Nova, a mixed-use development, and an order to fully replace fifteen elevators and mod-

KONE's January–December 2013 review

SALES BY GEOGRAPHICAL REGIONS, MEUR

	10–12/2013	%	10–12/2012	%	1–12/2013	%	1–12/2012	%
EMEA [1)]	959.4	47	907.6	49	3,157.3	46	3,094.0	49
Americas	338.5	17	292.7	16	1,118.4	16	999.0	16
Asia-Pacific	735.0	36	657.4	35	2,656.8	38	2,183.8	35
Total	2,033.0		1,857.7		6,932.6		6,276.8	

[1)] EMEA = Europe, Middle East, Africa

ernize a further four elevators at six London Underground stations. In the Philippines, KONE was chosen to supply in total 162 elevators and escalators to the Manila Bay Resorts complex. In addition, KONE won an order to supply 63 elevators and escalators to the Tianjin Noble Winland IFC high-rise office building in Tianjin, China.

KONE's net sales grew by 9.4% as compared to October–December 2012, and totaled EUR 2,033 (10–12/2012: 1,858) million. At comparable exchange rates, KONE's net sales growth was 13.1%. Net sales grew in all geographic regions.

New equipment sales accounted for EUR 1,147 (966.6) million and represented an increase of 18.7% over the comparison period. At comparable exchange rates, new equipment sales grew by 22.9%.

Service (maintenance and modernization) sales declined by 0.6% and totaled EUR 885.5 (891.1) million. At comparable exchange rates, service sales grew by 2.6%. Maintenance sales continued to grow at a significantly higher rate than overall service sales, whereas modernization sales declined.

KONE's operating income for the October–December 2013 period totaled EUR 292.8 (257.4) million or 14.4% (13.9%) of net sales. The growth in operating income was a result of continued strong new equipment sales growth in Asia-Pacific, China in particular, as well as a good business development in North America, in the United States in particular. In addition, a positive development in the service business globally contributed to the growth in operating income. The relative operating income developed positively despite the clear increase in the share of the new equipment business as a percentage of total sales. This good development was due to a very strong operational performance on a broad basis as well as a positive impact of pricing actions taken in the past two years. KONE continued to increase fixed costs in areas that support the growth of the business, in particular in Asia-Pacific as well as research and development, process development and IT.

Cash flow from operations before financing items and taxes in October–December 2013 was EUR 240.8 (266.6) million. Cash flow was at a good level as a result of an improvement in operating income despite a normal seasonal increase in net working capital (excluding financing items and taxes).

January–December 2013 review KONE's operating environment

In 2013, markets in Asia-Pacific, North America and the Middle East developed positively. In Europe, uncertainty on the market decreased towards the end of the year. In the Europe, Middle East and Africa (EMEA) region, the new equipment market declined slightly. In North America, the recovery of the market progressed throughout the year. The market in Asia-Pacific grew at a somewhat higher rate than in the previous year driven by rapid growth in China. The major projects segment grew somewhat, driven by strong activity in Asia-Pacific, the Middle East and North America. The modernization market was relatively stable, with positive development in North America and Asia-Pacific, but a decline in the EMEA region. Maintenance market growth was the fastest in Asia-Pacific, driven by growth in new equipment installations. In the more mature maintenance markets, the growth rate was lower, with many countries seeing a very competitive market environment.

In the EMEA region, the new equipment market declined slightly in Central and North Europe, but remained at a relatively good level. The residential segment grew slightly, but most other segments were at a lower level than in 2012. New equipment demand grew in Germany, declined in the Netherlands, and was rather stable in most other markets. In Russia, the market grew. In South Europe, new equipment demand declined with low levels of activity in all main segments. New equipment demand declined from a weak level in Spain and Italy, and the market declined also in France throughout the year, albeit from a better level. Towards the end of the year, some initial signs of the market decline leveling off could be seen in Spain and Italy. The new equipment market grew in Turkey and in the Middle East, where the increase in demand was driven by Saudi Arabia. The modernization market declined in both Central and North Europe and in South Europe. The maintenance market continued to grow in the EMEA region, but with clear variation in market conditions between countries.

In the Americas region, the recovery of the new equipment demand continued in the United States throughout the year,

KONE's January–December 2013 review

driven primarily by the residential and office segments. The new equipment market in Canada was rather stable, but the market in Mexico saw a decline in the second half of the year. Modernization activity grew in North America. The maintenance market grew slowly as a result of the low new equipment deliveries in the prior years.

In the Asia-Pacific region, the new equipment market continued to grow from the high level of 2012. The Chinese market grew significantly at a somewhat higher rate than in the previous year. The demand in China was strong in the beginning of the year, with the growth rate slowing down gradually before picking up again in the last quarter of the year. Growth was driven by the residential segment, excluding demand from affordable housing, which declined slightly compared to the previous year. The other residential segments saw the highest growth rates in the inland lower-tier cities. In larger cities, the residential segments other than affordable housing were adversely impacted by the Chinese government's measures aimed at managing the development of housing prices, particularly in the first half of the year. However, in the second half of the year, activity in these segments increased also in the larger cities due to strong demand for housing. The commercial segments continued to grow and there was some growth in infrastructure projects as well, with metro and airport activity developing favorably. In India, the market grew throughout the year despite economic uncertainties, driven above all by the residential and infrastructure segments. In Australia, new equipment demand grew slightly from the level of 2012, and also modernization demand grew. The Southeast Asian markets grew throughout the year, with fastest growth seen in Indonesia. Maintenance markets in Asia-Pacific continued to grow following the positive development of the new equipment market in the region.

KONE competes with various companies in all geographic areas. Particularly on the service side, the market environment is fragmented with numerous smaller and larger competitors. During 2013, pricing competition continued to be intense in many markets. In China, price competition in new equipment intensified somewhat during the year. In the EMEA region, the pricing environment in new equipment continued to be the most challenging in South European markets with persisting low volumes. In North America, the pricing environment in new equipment stabilized. In maintenance and modernization, the pricing environment was characterized by very intense competition in the EMEA region, particularly in South Europe and also in some of the Central and North European markets. In North America, price competition remained intense in the service business, particularly in the non-residential segments.

Orders received and Order book

In 2013, KONE's orders received increased by 11.9% and totaled EUR 6,151 (1–12/2012: 5,496) million. At comparable exchange rates, KONE's orders received increased by 14.1%. Maintenance contracts are not included in orders received.

The order book grew from the end of 2012 by 10.6% and stood at EUR 5,587 (Dec 31, 2012: 5,050) million at the end of 2013. At comparable exchange rates, the increase was 16.0%. The margin of the order book was at a healthy level, and the orders received margins improved slightly from the previous year's good level. Cancellations of orders remained at a very low level.

KONE's new equipment orders received in elevator and escalator units amounted to approximately 137,000 units (2012: approximately 118,000 elevator and escalator units).

Orders received grew strongly in Asia-Pacific and North America, and were stable in the EMEA region. KONE's order intake grew significantly in both the new equipment business and the modernization business.

In the EMEA region, orders received were stable as compared to 2012. New equipment orders received declined slightly. The development was the strongest in Denmark, Germany, Belgium, Russia and the United Kingdom, where orders received grew. KONE's modernization and service repair order intake in the EMEA region grew slightly, with growth in Germany, the United Kingdom and Italy, but a decline in most other markets.

In the Americas region, KONE's orders received grew strongly compared to the previous year. New equipment orders grew significantly in North America, driven by growth in all markets in the region. The modernization order intake grew very strongly.

In Asia-Pacific, orders received grew strongly as compared to 2012. New equipment orders received grew in China, India, Australia and Southeast Asia. The growth was the strongest in India and China. Modernization orders received grew very strongly.

Net sales

KONE's net sales grew by 10.4% as compared to prior year, and totaled EUR 6,933 (1–12/2012: 6,277) million. At comparable exchange rates, KONE's net sales grew by 12.6%. The sales consolidated from the companies acquired in 2013 did not have a material impact on KONE's net sales for the financial period.

New equipment sales accounted for EUR 3,739 (3,155) million and represented an increase of 18.5% compared to 2012. At comparable exchange rates, new equipment sales grew by 20.7%. New equipment sales accounted for 54% (50%) of total sales. KONE delivered approximately 120,000 new elevator and escalator units in 2013 (2012: approximately 103,000 elevator and escalator units).

Service (maintenance and modernization) sales increased by 2.3% and totaled EUR 3,193 (3,122) million. At comparable exchange rates, the increase was 4.4%. Maintenance sales grew at the earlier good rate, the growth being clearly higher

KONE's January–December 2013 review

than that of overall service sales. Modernization sales declined at historical exchange rates, but was stable at comparable exchange rates. Maintenance accounted for 32% (34%) and modernization for 14% (16%) of total sales in 2013. KONE's elevator and escalator maintenance base continued to grow and exceeded 950,000 units at the end of 2013 (the maintenance base exceeded 900,000 units at the end of 2012). The growth of the maintenance base was the result of continued good conversions of new equipment deliveries to the maintenance base as well as acquisitions.

Sales in the EMEA region grew slightly as compared to 2012. New equipment and maintenance sales grew, while modernization sales declined.

Sales in the Americas grew significantly as compared to the previous year. Sales grew in all businesses, with clearly the strongest growth in the new equipment business.

Sales in Asia-Pacific grew strongly as compared to 2012. Sales grew in all businesses.

The geographical distribution of net sales was 46% (49%) EMEA, 16% (16%) Americas and 38% (35%) Asia-Pacific. The largest individual countries in terms of net sales were China, the United States and France. China's share was approximately 30% and the United States' share exceeded 10% of KONE's total net sales in 2013.

Financial result

KONE's operating income (EBIT) grew and reached EUR 953.4 (1–12/2012: 828.7) million or 13.8% (13.2%) of net sales (1–12/2012 figures exclude a one-time cost of EUR 37.3 million related to the support function development and cost adjustment programs). The growth in operating income was a result of continued strong new equipment sales growth in Asia-Pacific, China in particular, and positive development in the service business globally. The relative operating income was burdened by the significant growth of the share of new equipment sales of total sales, a high level of deliveries of projects that were booked as orders received with lower margins in 2010 and 2011, particularly in North America, and intense price competition. However, in the second half of the year, the relative operating income developed positively due to a strong operational performance on a broad basis as well as a favorable impact of pricing actions taken during the past two years. KONE continued to increase fixed costs in areas that support the growth of the business, in particular in Asia-Pacific as well as process development and IT.

Net financing items was EUR 5.9 (8.6) million.

KONE's income before taxes was EUR 960.5 (804.3) million. Taxes totaled EUR 247.3 (193.3) million. This represents an effective tax rate of 25.8% (24.0%) for the financial year. The effective tax rate resulting from the operations for the financial year was 23.6% (23.5%). The main one-time items impacting the effective tax rate for the full financial year were the revaluation of option liabilities from acquisitions and the change in the Finnish corporate tax rate in 2014. Net income for the period under review was EUR 713.1 (611.0) million.

Basic earnings per share was EUR 1.37 (1.17). The comparable basic earnings per share excluding one-time items was EUR 1.37 (1.23).

In 2012, KONE initiated two programs targeting increased competitiveness. One of the programs targeted improved quality and productivity of KONE's support functions, and the other an adjustment in resourcing in such countries, where the market has declined more permanently to a weak level. The programs have been implemented. They have delivered 31 EUR million annualized cost savings, for which a corresponding run rate has been achieved by the end of 2013.

Consolidated statement of financial position and Cash flow

KONE's financial position was very strong at the end of December 2013. Cash flow generated from operations (before financing items and taxes) was EUR 1,213 (1–12/2012: 1,071) million. The drivers of the strong cash flow were the growth in operating income and an improvement in net working capital. The improvement in net working capital was largely due to an improved ratio of advance payments received relative to inventories as well as an increase in accounts payable. In addition, the rotation of accounts receivable and inventories improved. At the end of December 2013, net working capital was EUR -611.5 (December 31, 2012: -439.3) million, including financing items and taxes.

Interest-bearing net debt at the end of December 2013 was EUR -622.0 (December 31, 2012: -574.0) million. KONE's cash and cash equivalents together with current deposits were EUR 890.6 (873.2) million at the end of the reporting period. Interest-bearing liabilities were EUR 273.8 (304.7) million, including a net pension liability of EUR 134.7 (192.7) million and short-term loans of EUR 17.2 (12.8) million. In addition, the interest-bearing net debt includes EUR 100.8 (78.3) million of option liabilities from acquisitions. Gearing was -36.1%, compared with -31.3% at the end of 2012. KONE's total equity/total assets ratio was 43.7% at the end of December (December 31, 2012: 47.1%).

Equity per share was EUR 3.30 (3.53).

Capital expenditure and acquisitions

KONE's capital expenditure, including acquisitions, totaled EUR 157.0 (1–12/2012: 287.9) million. Capital expenditure, excluding acquisitions, was mainly related to facilities and equipment in R&D, IT and production. Acquisitions accounted for EUR 82.9 (169.2) million of this figure.

The most important acquisitions completed during 2013 included the acquisition of the San Francisco-based business of Empire Elevator Corporation, an elevator maintenance company in the United States, and the acquisition of Ennis Lifts, the largest national elevator and escalator company in

KONE's January–December 2013 review

Ireland. In addition, KONE acquired a further 10% interest in its Saudi Arabian associated company KONE Areeco Company Ltd. After the transaction, KONE holds 50% of the shares in KONE Areeco and has formal control in the company based on a shareholders' agreement. In addition, KONE completed a number of small acquisitions of maintenance companies in Europe and the United States during the reporting period. The acquisitions completed during the reporting period do not individually or as a whole have a material impact on the result or financial position of KONE.

Research and development

Research and development expenses totaled EUR 96.5 (1–12/2012: 86.1) million, representing 1.4% (1.4%) of net sales. R&D expenses include the development of new product and service concepts as well as the further development of existing solutions and services. KONE's elevators and escalators are based on industry-leading energy efficient technology.

KONE's customers and end users are at the center of its research and development efforts. In accordance with its vision of delivering the best People Flow™ experience, KONE focuses on understanding the needs of its customers and the users of its solutions in order to make people flow in buildings smoother and improve the user experience. The aim of one of KONE's five development programs, Innovative Solutions for People Flow, is to develop innovative solutions for an increasingly urbanizing world with a focus on eco-efficiency, ride comfort, visual design and space efficiency.

In 2013, KONE launched in June the KONE UltraRope™, a new high-rise elevator technology that enables future elevator travel height of one kilometer. It eliminates the disadvantages of conventional steel rope and opens up numerous possibilities in high-rise building design. The new technology brings KONE benefit already for buildings higher than 150 meters. Comprising of a carbon fiber core and a unique high-friction coating, this rope is extremely light. This allows for a significant reduction in elevator energy consumption, improves space efficiency and reduces installation time. KONE UltraRope is extremely strong, resistant to wear and abrasion and has a long lifetime. Elevator downtime caused by building sway is also reduced as carbon fiber resonates at a completely different frequency than conventional building materials. All of this adds up to significantly increased eco-efficiency, durability, and reliability. In September 2013, the first customer installation of KONE UltraRope was completed in a passenger elevator in Singapore.

In the last quarter of 2013, KONE launched new innovations to further ease the the movement of people in buildings. The new KONE People Flow Intelligence products are designed to guide building visitors and tenants effectively and smoothly from front entrance to desired destination, while at the same time improving building security. KONE offers solutions in the areas of Access, Destination, Information, and Monitoring. KONE Access™ provides an access control system that is seamlessly integrated with elevators and building doors, and personalized for each individual user. KONE's signalization family has been updated to include a new touchscreen Destination Operating Panel, the modern design of which includes a large touchscreen and alternative options for the user interface graphics. Finally, the KONE RemoteCall™ application allows the elevator to be called remotely from anywhere within the building using smartphone technology. KONE RemoteCall also offers the option for determining different call types for specific purposes, such as disability or priority calls.

During the reporting period, KONE was focused on ensuring a high-quality and smooth roll-out of its new volume elevator offering launched in 2012 in the EMEA and Asia-Pacific regions. KONE also continued to enhance and extend other parts of its solution and service offering. New modernization solutions for elevator electrification in Europe were launched, enabling a further improvement in the ride comfort of equipment and energy efficiency levels of the highest VDI 4707 A-class after modernization. In addition, KONE ReSolve™ 200 new generation modernization solution for elevator electrification was launched. In China, KONE launched an extension to the KONE E MiniSpace™ elevator for the affordable housing segment. In Asia-Pacific, a solution for optimized space efficiency was launched for KONE N MiniSpace™ for the residential and commercial segments, and the standard offering of KONE N MonoSpace®, KONE S MonoSpace®, and KONE N MiniSpace elevators was extended with the inclusion of the KONE Polaris™ 500 Destination Control System. The volume elevator offering in India was further developed and a new, more competitive elevator platform with updated visual design for the residential segment was released. In North America, the volume elevator offering was enhanced particularly for the mid- and high-rise market. In escalators, KONE released updates to both KONE TravelMaster™ 110 and KONE TransitMaster™ 120 escalators.

In 2013, for the third consecutive year, KONE was ranked among the top 50 most innovative companies in the world by the business magazine Forbes. KONE's ranking rose to 37 (2012: 42). In addition, KONE's escalators received a number of prestigious awards. The KONE TravelMaster 110 escalator for commercial segments received one of China's most recognized design awards – Successful Design Award China. This award seeks to honor the top international designers and companies for their designs that are most successful in the Chinese market. KONE was the only elevator and escalator company to be awarded. In addition, the KONE TravelMaster 110 escalator won The Excellent Prize of 2013 China Red Star Design Award. The KONE TransitMaster 120 escalator for public transportation segments won an Architectural Products Product Innovation Award (PIA) 2013.

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Changes in the Executive Board

In September 2013 KONE announced a change in the KONE Executive Board. Tomio Pihkala was appointed, as of September 1, to a newly established position as Executive Vice President responsible for installation, quality and safety globally. He reports to Matti Alahuhta, President and CEO.

Personnel

The objective of KONE's personnel strategy is to support the company in meeting its business targets. The main goals of this strategy are to further secure the engagement, motivation and continuous development of its employees. All of KONE's activities are guided by ethical principles. The personnel's rights and responsibilities include the right to a safe and healthy working environment, personal well-being as well as the prohibition of discrimination of any kind.

KONE defined Employee Engagement as one of its five development programs at the beginning of 2011 and launched an action plan focusing on the further development of leadership capabilities, on providing growth and development opportunities for KONE employees, and on ensuring well-being and safety at work. During 2013 KONE continued to implement this three-year action plan.

During 2013, the development of KONE's personnel remained a key area of focus. A new project management training portfolio and a "Managing KONE business" -program were rolled out. The delivery of other learning programs, such as the KONE Leader program and the Supervisor Development program, continued as planned. The top management leadership program, which had close to 400 participants over the course of its two-year duration, was completed in September. The development of learning paths for key roles continued with an emphasis on general management, project management and maintenance operations. The performance management process focused on extensive and high-quality individual development planning.

The company's recruitment capabilities were improved by the training of managers, the extended use of assessment tools, as well as by taking into use an online interviewing tool. Several actions were taken to improve the visibility of job opportunities within KONE and to promote job rotation. Collaboration with selected schools and universities continued in several key countries.

A new internal web-based collaboration platform was launched to enable easier and faster sharing of information and to facilitate co-creation processes. The usage of the platform grew steadily throughout the year. A web-based learning management system went live in North America and the preparation for the roll-out in China began.

KONE carried out its annual global employee survey with an all-time high response rate and a significant further improvement in all survey dimensions. Most of the global and local actions addressing the identified development areas were implemented during the year and followed up closely by the Executive Board on a quarterly basis. The rest of the actions will be completed during the first months of 2014.

During the year, communication and training efforts promoting well-being continued, and various new country-specific well-being initiatives were rolled out. Efforts to improve safety at work remained a high-priority area. The IIFR (Industrial Injury Frequency Rate) improved further and was 3.0 in 2013 (2012: 3.4). KONE's second Global Safety Week was held with the theme "Little things matter in safety". The systematic sharing of practices and development ideas improving safety was a focus area in the company throughout the year. In China, a special program focusing on safety competence building was launched.

KONE had 43,298 (December 31, 2012: 39,851) employees at the end of December 2013. The average number of employees was 41,139 (1–12/2012: 38,477).

The geographical distribution of KONE employees was 47% (December 31, 2012: 48%) in EMEA, 13% (14%) in the Americas and 40% (38%) in Asia-Pacific.

Environment

For KONE, environmental responsibility is a combination of offering its customers innovative solutions that are both energy- and cost-efficient while reducing the adverse environmental impact of its own operations.

KONE is the industry leader in eco-efficiency. The focus in developing eco-efficient elevator and escalator solutions is on further improving the energy saving in standby and operation modes. The most significant environmental impact of KONE's business globally relates to the amount of electricity used by KONE equipment over their lifetime. This underlines the importance of continuously developing and improving energy-efficient innovations for elevators and escalators. The most significant impact on KONE's carbon footprint from its own operations relates to the company's logistics operations, vehicle fleet, and electricity consumption.

KONE set the target of further improving the energy efficiency of its solutions in its Environmental Excellence program for 2011–2013. KONE has reached – compared to the base year 2008 – an over 70% reduction in the energy consumption of its volume elevators for Europe, a 60–75% reduction in those for Asia, and a 40% reduction in those for the United States. The new high-rise technology announced by KONE in 2013, KONE UltraRope™, cuts energy consumption by 15% for a 500-meter elevator ride. When elevators travel higher in the future, energy savings as much as 45% can be achieved for an 800-meter elevator ride.

The other ambitious targets in the Environmental Excellence program focus on reducing annual greenhouse gas emissions from KONE's operations by 3% relative to net sales. The information on KONE's 2013 carbon performance will be made available by the end of the first quarter of 2014.

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KONE also continues to focus on the environmental aspects of its supply chain network, the target being that all KONE's strategic suppliers meet the ISO 14001 requirements. During 2013, KONE continued to further increase energy efficient references globally, for example by installing elevators in green certified buildings with LEED, BREEAM, and other certificates.

During 2013, KONE elevators' VDI 4707 A-class energy efficiency rating coverage for customer installations was expanded to include KONE N MiniSpace™ and KONE N MonoSpace® as well as an A-class certification for full replacement with the KONE MonoSpace® 500 elevator. All the VDI 4707 certifications have been measured by independent third parties. During the reporting period, KONE achieved as the first elevator company the Green Label certification for KONE N MiniSpace™ and N MonoSpace® elevators by the Singapore Green Building Council.

KONE published its Corporate Responsibility Report 2012 in June 2013. The report follows the B application level of the Global Reporting Initiative guidelines. The reported greenhouse gas emissions for 2012 have been assured by an independent third party.

KONE's score in CDP's (formerly known as Carbon Disclosure Project) climate change program further improved to 98/100 in 2013 (2012: 90/100). The program is designed to enable the management of greenhouse gas emissions and the risks and opportunities associated with climate change. For the third year running, KONE achieved a top position in CDP's Nordic Climate Disclosure Leadership Index (CDLI) featuring the best 10% of organizations included in the CDP Nordic report. The CDLI companies have displayed the most professional approach to climate change information disclosure practices, and the minimum score in the CDLI has constantly risen. In addition to carbon disclosure, CDP evaluates companies on their performance for mitigating climate change on a scale of A to E, with scores from A to B considered high performance. With a score of A- in 2013, KONE's results improved also in carbon performance from a B score in 2012. CDP is a leading global environmental reporting system, representing over 700 investors and requesting information from thousands of the world's largest companies.

During the reporting period, KONE continued its work as an active member of several codes and standards committees, such as the ISO committee for ISO 25745 series of standards, where KONE focuses on developing requirements for the energy efficiency of elevators and escalators. KONE also leads the ISO working group preparing the standard of energy performance of elevators, escalators and autowalks in China. KONE also participates in the further development of the VDI 4707 guidelines. KONE is an active member of the World Business Council for Sustainable Development, the European Round Table of Industrialists' Energy and Climate Change Working Group, World Alliance for Low Carbon Cities, Alliance to Save Energy in the U.S., Cleantech Finland, and several Green Building Councils globally.

Other important events during the reporting period

On September 11, 2013, KONE upgraded its sales and operating income (EBIT) outlook for the full year 2013. KONE estimated its net sales to grow by 11–14% at comparable exchange rates as compared to 2012. The operating income was expected to be in the range of EUR 920–955 million, assuming no material deviation in the translation exchange rates from the situation of the beginning of September 2013. Previously KONE had expected its net sales to grow by 9–11% at comparable exchange rates as compared to 2012. The operating income was previously expected to be in the range of EUR 890–920 million, assuming no material deviation in translation exchange rates from the situation of the beginning of 2013.

The primary reason for the upgrades was the business impact of the improved liquidity situation in the Chinese economy, as a result of which KONE's new equipment deliveries in China had during the third quarter been stronger than expected and were expected to continue to be strong during the remainder of 2013. In addition, a better than expected productivity development in KONE's production network improved KONE's operating income outlook.

Other events

In 2007 a decision was issued by the European Commission concerning alleged local anticompetitive practices before early 2004 in Germany, Luxembourg, Belgium and the Netherlands by leading elevator and escalator companies, including KONE's local subsidiaries. Also, the Austrian Cartel Court issued in 2007 a decision concerning anticompetitive practices that had taken place before mid-2004 in local Austrian markets by leading elevator and escalator companies, including KONE's local subsidiary. As announced by KONE earlier, a number of civil damage claims by certain companies and public entities, relating to the two 2007 decisions, are pending in related countries. The claims have been made against various companies concerned by the decisions, including certain KONE companies. All claims are independent and are progressing procedurally at different stages, with some processes having ended favorably for KONE. The total capital amount claimed jointly and severally from all of the defendants together was EUR 283 million at the end of December (December 2013: EUR 254 million). KONE's position is that the claims are without merit. No provision has been made.

In October 2013, The Court of Justice of the European Union announced its judgment concerning KONE's appeal against the judgment by the General Court of the European Union which upheld the European Commission's above-mentioned 2007 decision on imposing fines on leading elevator

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and escalator companies, including KONE. KONE's appeal was rejected by the Court of Justice of the European Union. As a result, the amount of the fines already paid by KONE remained unchanged. The EUR 142 million fines imposed on KONE in 2007 were recognized as costs in 2007 and paid in 2009. The judgment of the Court of Justice of the European Union is a final resolution on the matter.

Risk management

KONE is exposed to risks that may arise from its operations or changes in the business environment. The risk factors described below can potentially have an adverse effect on KONE's business operations and financial position, and as a result the value of the company. Other risks, which are currently either unknown or considered immaterial to KONE may, however, become material in the future.

A weakening of the global economic environment could result in a deterioration of the global new equipment markets. A disruption in the growth of the construction market in Asia, in China in particular, could result in a decline of the elevator and escalator market. A further weakening of the new equipment market in Europe or a slower than expected growth of the new equipment market in North America could lead to increasingly intensified price competition in both the new equipment and service businesses. All of the above-mentioned factors could lead to a decrease in orders received, cancellations of agreed deliveries, delays in the commencement of projects, further intensified price competition, and, as a result, have a negative effect on KONE's profitability. To counteract the pressures resulting from a possible deterioration of the overall economic environment and its impact on the elevator and escalator markets, KONE strives to continuously develop its overall competitiveness.

KONE operates in an industry with various local regulatory requirements in both the new equipment and service businesses. Sudden or unanticipated changes in regulations, codes or standards may result in a need for process or technology adjustments, which could adversely affect KONE's profit development in affected countries. In order to mitigate the risk of unanticipated changes in the regulatory environment, KONE is actively involved in the development of regulations, codes and standards that aim to further improve the safety of elevators, escalators and automatic doors.

KONE operates in certain markets with high growth rates, where focused management of rapid business growth is required. This applies in particular to the availability of skilled personnel as well as the adequate supply of components and materials, as well as ensuring the quality of delivered products and services. Failure to adequately manage resourcing and quality could result in delays in deliveries and increases in costs, which in turn could have an adverse impact on the profitability of the company. KONE manages these risks through proactive project and resource planning and strict quality control processes.

KONE introduces new technology and continuously develops its existing products and its product competitiveness based on anticipated future developments in relevant technologies, customer needs and market requirements. The execution of new technology or product releases and the large supplier base involves risks related to the uninterrupted functioning of the delivery chain, product integrity and quality. To mitigate such risks, KONE follows defined design, supply, manufacturing and installation processes. Strict quality control processes are also in place in the product and solution development and delivery chain.

KONE's business activities are dependent on the uninterrupted operation, quality and reliability of sourcing channels, production plants, and logistics processes. A significant part of KONE's component suppliers and supply capacity is located in China. The risks related to the supply chain are controlled by analyzing and improving the fault tolerance of processes, diligent forecasting, close cooperation with KONE's suppliers and by increasing the readiness for transferring the manufacturing of critical components from one production line or supplier to another. KONE actively monitors the operations and financial strength of its key suppliers. The aim is also to secure the availability of alternative sourcing channels for critical components and services. Additionally, KONE has a global property damage and business interruption insurance program in place.

KONE's operations utilize information technology extensively. This may expose KONE to information security violations, misuse of systems and/or data, viruses, malwares and to such malfunctions, which can result in system failures or disruptions in processes and therefore impact KONE's business. Clear roles and responsibilities have been defined to manage IT security risks to ensure that adequate security is inbuilt within the IT management processes according to security policies, principles and guidelines.

KONE's profit development could be adversely affected if its productivity improvement targets were not met. These risks are managed through proactive planning and forecasting processes and constant process development, through the introduction of new technologies, as well as through the outsourcing of certain activities.

Changes in raw material and component prices are reflected directly in the production costs of elevators, escalators and automatic doors, and may therefore have an impact on KONE's profitability. In order to reduce the impact of material and sourcing price fluctuation KONE aims to enter into fixed-price contracts with its major suppliers for a significant part of its raw material and component purchases. Because the maintenance business deploys a significant fleet of service vehicles, fuel price fluctuations have an effect on maintenance costs.

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KONE is exposed to counterparty risks related to financial institutions through the significant amounts of liquid funds deposited into financial institutions, financial investments and in derivatives. In order to diversify the financial credit risk, KONE deposits its funds into several banks and invests a part of its liquidity into highly liquid money market funds. KONE also manages its counterparty risk by accepting only counterparties with high creditworthiness. The size of each counterparty limit reflects the creditworthiness of the counterparty and KONE constantly evaluates such limits.

KONE is also exposed to risks related to the liquidity and payment schedules of its customers, which may lead to credit losses. To mitigate this risk, defined rules for tendering, levels of approval authority, and credit control have been established. The risks related to accounts receivable are minimized also through the use of advance payments, documentary credits and guarantees in KONE's payment terms. KONE's customer base consists of a large number of customers in several market areas, with no individual customer representing a material share of KONE's sales.

KONE operates internationally and is thus exposed to risks arising from foreign exchange rate fluctuations related to currency flows from revenues and expenses, as well as from the translation of income statement and statement of financial position items of foreign subsidiaries into euros. The KONE Treasury is responsible for the centralized management of financial risks in accordance with the KONE Treasury Policy approved by the Board of Directors.

For further information regarding financial risks, please refer to note 2 in the consolidated Financial Statements for 2013.

Decisions of the Annual General Meeting

KONE Corporation's Annual General Meeting was held in Helsinki on February 25, 2013. The meeting approved the financial statements and discharged the responsible parties from liability for the January 1–December 31, 2012 financial period.

The number of Members of the Board of Directors was confirmed as eight. Re-elected as Members of the Board were Shinichiro Akiba, Matti Alahuhta, Anne Brunila, Antti Herlin, Jussi Herlin, Sirkka Hämäläinen-Lindfors, Juhani Kaskeala and Sirpa Pietikäinen and as new Deputy Member of the Board was elected Iiris Herlin.

At its meeting held after the General Meeting, the Board of Directors elected from among its members Antti Herlin as its Chair and Sirkka Hämäläinen-Lindfors as Vice Chair.

Antti Herlin was elected as Chairman and Sirkka Hämäläinen-Lindfors, Anne Brunila and Jussi Herlin as members of the Audit Committee. Sirkka Hämäläinen-Lindfors and Anne Brunila are independent of both the company and of significant shareholders and Jussi Herlin is independent of the company.

Antti Herlin was elected as Chairman and Jussi Herlin and Juhani Kaskeala as members of the Nomination and Compensation Committee. Juhani Kaskeala is independent of both the company and of significant shareholders.

The General Meeting confirmed an annual compensation of EUR 54,000 for the Chairman of the Board, EUR 44,000 for the Vice Chairman, EUR 33,000 for Board Members and EUR 16,500 for Deputy Board Member. In addition, a compensation of EUR 500 was approved for attendance at Board and Committee meetings.

The General Meeting approved the authorization for the Board of Directors to repurchase KONE's own shares. Altogether no more than 25,570,000 shares can be repurchased, of which no more than 3,810,000 can be class A shares and 21,760,000 class B shares. The minimum and maximum consideration for the shares to be purchased is determined for both class A and class B shares on the basis of the trading price for class B shares determined on the NASDAQ OMX Helsinki Ltd. on the time of purchase. The authorization shall remain in effect for a period of one year from the date of decision of the General Meeting.

Authorized public accountants PricewaterhouseCoopers Oy and Heikki Lassila were re-nominated as the Company's auditors.

The General Meeting approved dividends of EUR 1.745 for each of the 38,104,356 class A shares and EUR 1.75 for the 218,191,425 then outstanding class B shares (share amounts presented before the effect of the share issue without payment). The date of record for dividend distribution was February 28, 2013, and the dividends were paid on March 7, 2013.

Decisions of the Extraordinary General Meeting: extraordinary dividend for the financial year 2012 and share issue without payment (split)

In October 2013 KONE's Board of Directors made a proposal for an extra dividend for the financial year 2012, a proposal for a share issue without payment (split) and issued a notice to an Extraordinary General Meeting. KONE Corporation's Extraordinary General Meeting was held in Helsinki on December 2, 2013. As proposed by the Board of Directors, the meeting approved extra dividends of EUR 1.295 for each of the 38,104,356 class A shares and EUR 1.30 for the 218,098,624 outstanding class B shares before the number of shares was doubled due to the share issue without payment. The date of record for the dividend distribution was December 5, 2013, and the dividends were paid on December 13, 2013.

In addition, the Extraordinary General Meeting approved the proposal by the Board of Directors to increase the number of shares in the company by issuing new shares to the shareholders without payment in proportion to their holdings so that one class A share was given for each class A share and one class B share was given for each class B share. The share

KONE's January–December 2013 review

issue without payment was entered in the Trade Register on December 5, 2013. The new class B shares were admitted to public trading and entered into the book-entry system on December 9, 2013. After the share issue, the number of the company's class A shares was 76,208,712 and the number of class B shares 446,256,146.

Due to the share issue without payment, the terms of the company's option rights 2010 and 2013 were amended. Each 2010 and 2013 option right entitles to a subscription of two (2) KONE class B shares. After share issue without payment and the extra distribution of profits, the subscription price of a KONE class B share to be subscribed with a 2010 option right is EUR 14.075 per share and with a 2013 option right EUR 27.60 per share.

Share capital and Market capitalization

The Annual General Meeting in 2010 authorized the Board of Directors to decide on the issuance of options and other special rights entitling to shares. The authorization is limited to a maximum of 3,810,000 class A shares and 21,760,000 class B shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares, and the issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed share issue). The authorization will remain in effect for a period of five years from the date of the decision of the General Meeting.

In 2010, KONE granted a conditional option program. The 2010 stock options were listed on the NASDAQ OMX Helsinki Ltd on April 2, 2013. The total number of stock options was 3,000,000 and 896,000 of them are held by KONE Corporation's subsidiary. During the financial year a total of 1,669,380 new KONE class B shares were subscribed with the 2010 option rights. On December 31, 2013 a maximum of 2,538,620 shares can be subscribed with the remaining outstanding option rights. Each option entitles its holder to subscribe for two (2) new class B shares at the price of, from December 3, 2013, EUR 14.075 per share. The share subscription period for the stock option 2010 is April 1, 2013–April 30, 2015.

In January 2013, KONE granted a conditional option program. Stock options 2013 are granted according to the decision of the Board of Directors on January 24, 2013 to approximately 480 key employees and the decision was based on the authorization received from the Shareholders Meeting on March 1, 2010. A maximum total of 750,000 options are granted. The original share subscription price for the option was EUR 29.125 per share and it is further reduced in situations mentioned in the terms, for example with dividends distributed before the subscription of the shares. The effective subscription price as per December 31, 2013 is EUR 27.60. Each option entitles its holder to subscribe for two (2) new or existing company's own class B KONE shares. The share subscription period for the stock options 2013 will be April 1, 2015–April 30, 2017. The share subscription period begins only if the financial performance of the KONE Group for the financial years 2013–2014, based on the total consideration of the Board of Directors, is equal to or better than the average performance of the key competitors of KONE.

In December 2013, KONE granted a conditional option program. Stock options 2014 are granted according to the decision of the Board of Directors on December 20, 2013 to approximately 530 key employees and the decision was based on the authorization received from the Shareholders Meeting on March 1, 2010. A maximum total of 1,500,000 options are granted. The share subscription price for the option is EUR 31.80 per share and it is further reduced in situations mentioned in the terms, for example with dividends distributed before the subscription of the shares. Each option entitles its holder to subscribe for one (1) new or existing company's own class B KONE share. The share subscription period for the stock options 2014 will be April 1, 2016–April 30, 2018. The share subscription period begins only if the financial performance of the KONE Group for the financial years 2014–2015, based on the total consideration of the Board of Directors, is equal to or better than the average performance of the key competitors of KONE.

On December 31, 2013, KONE's share capital was EUR 65,342,702.50, comprising 446,532,908 listed class B shares and 76,208,712 unlisted class A shares. KONE's market capitalization was EUR 16,816 million on December 31, 2013, disregarding own shares in the Group's possession. Market capitalization is calculated on the basis of both the listed B shares and the unlisted A shares excluding treasury shares. Class A shares are valued at the closing price of the class B shares at the end of the reporting period.

Shares in KONE's possession

On the basis of the Annual General Meeting's authorization, KONE Corporation's Board of Directors decided to commence the possible repurchasing of shares at the earliest on March 5, 2013.

During January–December 2013, KONE used its previous authorization to repurchase own shares in January, and bought back in total 80,000 of its own class B shares. In April, 210,890 class B shares in the company's possession were assigned to the share-based incentive plan. In July and August, KONE bought back in total 1,000,000 of its own class B shares. At the end of December, the Group had 10,058,898 class B shares in its possession. The shares in the Group's possession represent 2.3% of the total number of class B shares. This corresponds to 0.8% of the total voting rights.

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Shares traded on the NASDAQ OMX Helsinki Ltd.

The NASDAQ OMX Helsinki Ltd. traded 220.9 million KONE Corporation's class B shares in January–December 2013, equivalent to a turnover of EUR 6,975 million. The daily average trading volume was 883,577 shares (1–12/2012: 849,590). The share price on December 31, 2013 was EUR 32.80. The volume weighted average share price during the period was EUR 31.60. The highest quotation during the period under review was EUR 36.35 and the lowest EUR 27.85. In addition to the NASDAQ OMX Helsinki Stock Exchange, KONE's class B share is traded also on various alternative trading platforms. The volume of KONE's B shares traded on the NASDAQ OMX Helsinki Stock Exchange represented approximately 32% of the total volume of KONE's class B shares traded in January–December 2013 (source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com).

The number of registered shareholders was 31,690 at the beginning of the review period and 45,764 at its end. The number of private households holding shares totaled 41,991 at the end of the period, which corresponds to approximately 13.6% of the listed B shares.

According to the nominee registers, 43.0% of the listed class B shares were owned by foreign shareholders on December 31, 2013. Other foreign ownership at the end of the period totaled 6.4%. Thus a total of 49.4% of KONE's listed class B shares were owned by international investors, corresponding to approximately 18.3% of the total votes in the company.

Market outlook 2014

In new equipment, the market in Asia-Pacific is expected to grow clearly in 2014. The market in China is expected to grow by approximately 10%. The market in the EMEA region is expected to grow slightly, with a relatively stable demand in Central and North Europe, a further slight decline in South Europe, and a growing demand in the Middle East. The market in North America is expected to continue to grow.

The modernization market is expected to grow slightly.

The maintenance markets are expected to develop rather well in most countries.

Business outlook 2014

KONE's net sales is estimated to grow by 6–9% at comparable exchange rates as compared to 2013.

The operating income (EBIT) is expected to be in the range of EUR 980–1,050 million, assuming that translation exchange rates do not materially deviate from the situation of the beginning of 2014.

The Board's proposal for the distribution of profit

The parent company's non-restricted equity on December 31, 2013 is EUR 1,357,635,587.39 of which the net profit for the financial year is EUR 429,462,500.68.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.9975 be paid on the outstanding 76,208,712 class A shares and EUR 1.00 on the outstanding 436,474,010 class B shares, resulting in a total amount of proposed dividends of EUR 512,492,200.22. The Board of Directors further proposes that the remaining non-restricted equity, EUR 845,143,387.17 be retained and carried forward.

The Board proposes that the dividends be payable from March 6, 2014. All the shares existing on the dividend record date are entitled to dividend for the year 2013 except for the own shares held by the parent company.

Annual General Meeting 2014

KONE Corporation's Annual General Meeting will be held at 11:00 a.m. on Monday, February 24, 2014 at the Finlandia Hall, Mannerheimintie 13, in Helsinki, Finland.

Helsinki, January 28, 2014

KONE Corporation's Board of Directors

Share-related figures, except the authorization to issue or repurchase own shares and the amounts of own shares repurchased or surrendered during 2013, have been adjusted for the share split (1:2) in December 2013.

Consolidated statement of income

MEUR	10–12/2013	%	10–12/2012	%	1–12/2013	%	1–12/2012	%
Sales	2,033.0		1,857.7		6,932.6		6,276.8	
Costs and expenses	-1,719.9		-1,579.6		-5,900.6		-5,362.1	
Depreciation and amortization	-20.3		-20.7		-78.5		-86.0	
One-time cost	-		-		-		-37.3	
Operating income	292.8	14.4	257.4	13.9	953.4	13.8	791.4	12.6
Share of associated companies' net income	-0.3		0.9		1.1		4.3	
Financing income	11.0		12.7		42.7		42.9	
Financing expenses	-28.1		-22.8		-36.8		-34.3	
Income before taxes	275.4	13.5	248.2	13.4	960.5	13.9	804.3	12.8
Taxes	-89.6		-65.2		-247.3		-193.3	
Net income	185.8	9.1	183.0	9.9	713.1	10.3	611.0	9.7
Net income attributable to:								
Shareholders of the parent company	183.0		179.9		701.8		601.1	
Non-controlling interests	2.8		3.1		11.3		9.9	
Total	185.8		183.0		713.1		611.0	
Earnings per share for profit attributable to the shareholders of the parent company, EUR								
Basic earnings per share, EUR	0.36		0.35		1.37		1.17	
Diluted earnings per share, EUR	0.36		0.35		1.36		1.17	

Consolidated statement of comprehensive income

MEUR	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Net income	185.8	183.0	713.1	611.0
Other comprehensive income, net of tax:				
Translation differences	-26.5	-18.2	-53.2	-9.4
Hedging of foreign subsidiaries	2.4	1.8	6.2	1.3
Cash flow hedges	2.5	6.5	11.4	1.5
Items that may be subsequently reclassified to statement of income	-21.6	-9.9	-35.6	-6.6
Remeasurements of employee benefits	-4.1	-3.1	18.8	-12.7
Items that will not be reclassified to statement of income	-4.1	-3.1	18.8	-12.7
Total other comprehensive income, net of tax	-25.7	-13.0	-16.9	-19.3
Total comprehensive income	160.1	170.0	696.3	591.7
Total comprehensive income attributable to:				
Shareholders of the parent company	157.3	166.9	685.0	581.8
Non-controlling interests	2.8	3.1	11.3	9.9
Total	160.1	170.0	696.3	591.7

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´, for more information please see pages 24 and 25.

Condensed consolidated statement of financial position

Assets

MEUR	Dec 31, 2013	Dec 31, 2012
Non-current assets		
Intangible assets	1,332.4	1,283.8
Tangible assets	269.6	261.7
Loans receivable and other interest-bearing assets	5.3	5.5
Deferred tax assets	218.9	232.5
Investments	112.2	153.5
Total non-current assets	1,938.3	1,937.0
Current assets		
Inventories	1,103.9	980.8
Accounts receivable and other non interest-bearing assets	1,410.6	1,342.7
Current deposits and loan receivables	551.4	623.6
Cash and cash equivalents	339.1	249.6
Total current assets	3,405.0	3,196.7
Total assets	5,343.3	5,133.7

Equity and liabilities

MEUR	Dec 31, 2013	Dec 31, 2012
Equity	1,724.6	1,833.7
Non-current liabilities		
Loans	21.1	20.9
Deferred tax liabilities	106.1	88.4
Employee benefits	134.7	192.7
Total non-current liabilities	261.9	302.0
Provisions	139.4	136.2
Current liabilities		
Loans	118.0	91.1
Advance payments received	1,397.5	1,242.0
Accounts payable and other liabilities	1,701.9	1,528.7
Total current liabilities	3,217.4	2,861.8
Total equity and liabilities	5,343.3	5,133.7

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´, for more information please see pages 24 and 25.

Consolidated statement of changes in equity

MEUR	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Own shares	Retained earnings	Net income for the period	Non-controlling interests	Total equity
Jan 1, 2013	65.1	100.3	81.2	-4.0	40.1	-69.3	-72.9	1,671.9		21.3	1,833.7
Net income for the period									701.8	11.3	713.1
Other comprehensive income:											
Translation differences					-53.2						-53.2
Hedging of foreign subsidiaries					6.2						6.2
Cash flow hedges				11.4							11.4
Remeasurements of employee benefits						18.8					18.8
Transactions with shareholders and non-controlling interests:											
Profit distribution								-781.2			-781.2
Increase in equity (option rights)	0.2		24.2								24.4
Purchase of own shares							-62.9				-62.9
Change in non-controlling interests								-0.1		-2.2	-2.4
Option and share-based compensation							7.0	9.7			16.7
Dec 31, 2013	65.3	100.3	105.4	7.3	-7.0	-50.6	-128.8	900.3	701.8	30.4	1,724.6

MEUR	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Own shares	Retained earnings	Net income for the period	Non-controlling interests	Total equity
Jan 1, 2012	65.1	100.3	51.5	-5.5	48.2		-98.8	1,865.9		7.3	2,034.0
IAS 19 restatement impact						-56.6		-2.1			-58.7
Jan 1, 2012, restated	65.1	100.3	51.5	-5.5	48.2	-56.6	-98.8	1,863.8		7.3	1,975.3
Net income for the period, restated									601.1	9.9	611.0
Other comprehensive income, restated:											
Translation differences					-9.4						-9.4
Hedging of foreign subsidiaries					1.3						1.3
Cash flow hedges				1.5							1.5
Remeasurements of employee benefits						-12.7					-12.7
Transactions with shareholders and non-controlling interests:											
Profit distribution								-740.8			-740.8
Increase in equity (option rights)			29.7								29.7
Purchase of own shares							-36.9				-36.9
Change in non-controlling interests								1.8		4.1	5.9
Option and share-based compensation							62.8	-54.0			8.8
Dec 31, 2012, restated	65.1	100.3	81.2	-4.0	40.1	-69.3	-72.9	1,070.8	601.1	21.3	1,833.7

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´, for more information please see pages 24 and 25.

Condensed consolidated statement of cash flows

MEUR	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Operating income	292.7	257.4	953.4	791.4
Change in working capital before financing items and taxes	-72.2	-11.5	181.1	193.4
Depreciation and amortization	20.2	20.7	78.5	86.0
Cash flow from operations before financing items and taxes	240.8	266.6	1,213.1	1,070.8
Cash flow from financing items and taxes	-51.6	-51.5	-190.7	-128.7
Cash flow from operating activities	189.2	215.1	1,022.4	942.1
Cash flow from investing activities	-40.7	-134.3	-148.9	-220.2
Cash flow after investing activities	148.5	80.8	873.4	721.9
Purchase of own shares	-	-	-62.9	-36.9
Increase in equity (option rights)	5.6	-	24.4	29.7
Profit distribution	-307.4	-384.4	-755.7	-740.8
Change in deposits and loans receivable, net	307.3	381.1	57.9	59.3
Change in loans payable and other interest-bearing debt	-119.0	-9.3	-31.6	-16.8
Changes in non-controlling interests	-	-1.5	-6.8	-1.5
Cash flow from financing activities	-113.5	-14.1	-774.6	-707.0
Change in cash and cash equivalents	35.0	66.7	98.8	14.9
Cash and cash equivalents at end of period	339.1	249.6	339.1	249.6
Translation difference	3.3	2.8	9.3	-0.7
Cash and cash equivalents at beginning of period	307.4	185.7	249.6	234.0
Change in cash and cash equivalents	35.0	66.7	98.8	14.9

CHANGE IN INTEREST-BEARING NET DEBT

MEUR	10–12/2013	10–12/2012	1–12/2013	1–12/2012
Interest-bearing net debt at beginning of period	-817.7	-909.6	-574.0	-646.0
Interest-bearing net debt at end of period	-622.0	-574.0	-622.0	-574.0
Change in interest-bearing net debt	195.7	335.6	-48.0	72.0

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´, for more information please see pages 24 and 25.

Notes for the interim report

KEY FIGURES

		1–12/2013	1–12/2012
Basic earnings per share	EUR	1.37	1.17
Diluted earnings per share	EUR	1.36	1.17
Equity per share	EUR	3.30	3.53
Interest-bearing net debt	MEUR	-622.0	-574.0
Total equity/total assets	%	43.7	47.1
Gearing	%	-36.1	-31.3
Return on equity	%	40.1	32.1
Return on capital employed	%	36.3	29.4
Total assets	MEUR	5,343.3	5,133.7
Assets employed	MEUR	1,102.7	1,259.7
Working capital (including financing and tax items)	MEUR	-611.5	-439.3

Comparative figures for 2012 have been restated according to the revised IAS 19 `Employee Benefits´.

QUARTERLY FIGURES

		Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Orders received	MEUR	1,473.2	1,327.2	1,638.2	1,712.4	1,321.3	1,295.6	1,513.4	1,365.9
Order book	MEUR	5,587.5	5,642.1	5,874.4	5,823.1	5,050.1	5,283.7	5,305.3	4,842.8
Sales	MEUR	2,033.0	1,739.2	1,761.7	1,398.7	1,857.7	1,633.7	1,544.1	1,241.3
Operating income	MEUR	292.8	257.5	242.8	160.4	257.4	226.4	210.3 [1]	134.6
Operating income	%	14.4	14.8	13.8	11.5	13.9	13.9	13.6 [1]	10.8

		Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Orders received	MEUR	1,098.8	1,095.4	1,226.2	1,044.7	1,006.3	865.2	1,042.8	894.7
Order book	MEUR	4,348.2	4,143.2	3,947.7	3,737.5	3,597.8	3,657.9	3,933.7	3,638.5
Sales	MEUR	1,588.8	1,296.2	1,286.4	1,053.8	1,488.8	1,235.9	1,258.9	1,003.0
Operating income	MEUR	233.0	188.9	184.5	118.7	227.3	184.8	175.7	108.6
Operating income	%	14.7	14.6	14.3	11.3	15.3	15.0	14.0	10.8

		Q4/2009	Q3/2009	Q2/2009	Q1/2009	Q4/2008	Q3/2008	Q2/2008	Q1/2008
Orders received	MEUR	813.5	766.5	953.9	898.5	845.2	892.4	1,092.4	1,117.5
Order book	MEUR	3,309.1	3,603.4	3,754.1	3,753.1	3,576.7	4,002.8	3,838.7	3,617.4
Sales	MEUR	1,426.8	1,127.3	1,168.6	1,021.0	1,431.6	1,123.8	1,142.1	905.3
Operating income	MEUR	202.7	160.1	146.3 [2]	91.2	189.2	146.0	136.7	86.5
Operating income	%	14.2	14.2	12.5 [2]	8.9	13.2	13.0	12.0	9.6

		Q4/2007	Q3/2007	Q2/2007	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
Orders received	MEUR	901.9	926.3	944.4	902.1	712.1	742.0	821.9	840.3
Order book	MEUR	3,282.3	3,473.6	3,318.0	3,105.7	2,762.1	2,951.0	2,818.0	2,654.0
Sales	MEUR	1,294.2	971.6	1,001.9	811.2	1,145.6	879.8	840.4	735.0
Operating income	MEUR	160.8 [3]	126.7	116.4	69.3 [4]	123.4	101.1	83.9	51.7
Operating income	%	12.4 [3]	13.0	11.6	8.5 [4]	10.8	11.5	10.0	7.0

1) Excluding a MEUR 37.3 one-time cost related to the support function development and cost adjustment programs.
2) Excluding a MEUR 33.6 one-time restructuring cost related to the fixed cost adjustment program.
3) Excluding a MEUR 22.5 provision for the Austrian cartel court's fine decision and a MEUR 12.1 sales profit from the sale of KONE Building.
4) Excluding a MEUR 142.0 fine for the European Commission´s decision.

Q1/2012 – Q4/2012 Operating income restated according to revised IAS 19 `Employee Benefits´.

Notes for the interim report

SALES BY GEOGRAPHICAL REGIONS

MEUR	1–12/2013	%	1–12/2012	%
EMEA[1]	3,157.3	46	3,094.0	49
Americas	1,118.4	16	999.0	16
Asia-Pacific	2,656.8	38	2,183.8	35
Total	6,932.6		6,276.8	

[1] EMEA = Europe, Middle East, Africa

ORDERS RECEIVED

MEUR	1–12/2013	1–12/2012
	6,151.0	5,496.2

ORDER BOOK

MEUR	Dec 31, 2013	Dec 31, 2012
	5,587.5	5,050.1

CAPITAL EXPENDITURE

MEUR	1–12/2013	1–12/2012
In fixed assets	61.9	107.8
In leasing agreements	12.2	10.9
In acquisitions	82.9	169.2
Total	157.0	287.9

DEPRECIATION AND AMORTIZATION

MEUR	1–12/2013	1–12/2012
Depreciation	58.4	53.2
Amortization of acquisition-related intangible assets	20.1	32.8
Total	78.5	86.0

R&D EXPENDITURE

MEUR	1–12/2013	1–12/2012
	96.5	86.1
R&D Expenditure as percentage of sales	1.4	1.4

NUMBER OF EMPLOYEES

	1–12/2013	1–12/2012
Average	41,139	38,477
At the end of the period	43,298	39,851

Notes for the interim report

COMMITMENTS

MEUR	Dec 31, 2013	Dec 31, 2012
Mortgages		
Group and parent company	-	-
Pledged assets		
Group and parent company	-	0.1
Guarantees		
Associated companies	1.7	9.8
Others	4.7	5.1
Operating leases	250.9	257.2
Total	257.3	272.2

Banks and financial institutions have guaranteed obligations arising in the ordinary course of business of KONE companies up to a maximum of EUR 997.0 (840.2) million as of December 31, 2013.

Possible unidentified debts and liabilities of the in 2005 demerged Kone Corporation were transferred to the new KONE Corporation according to the demerger plan.

KONE leases cars, machinery & equipment and buildings under operating leases with varying terms.

The future minimum lease payments under non-cancellable operating leases

MEUR	Dec 31, 2013	Dec 31, 2012
Less than 1 year	66.2	61.1
1–5 years	147.8	146.7
Over 5 years	36.9	49.4
Total	250.9	257.2

INVESTMENTS

The shares held include a 19.9% holding in Toshiba Elevator and Building Systems Corporation (TELC). The fair value of TELC shares is based on realized and expected future earnings of the company (IFRS 7 Fair value hierarchy level 3; assets whose fair values are based on assumptions, that are not supported by prices from observable current market data). In the value appraisement, the business is expected to grow profitably and generally used return requirements of the industry have been applied. The changes in the fair value appraisal related to share investment in Toshiba Elevator and Building Systems Corporation (TELC) as well as the fair value changes of the hedges related to the TELC have been recorded in the costs and expenses.

Investments include also smaller available-for-sale investments in other companies without public quotation. They are measured at cost since the fair values cannot be reliably measured.

Notes for the interim report

DERIVATIVES

Fair values of derivative financial instruments MEUR	Positive fair value Dec 31, 2013	Negative fair value Dec 31, 2013	Net fair value Dec 31, 2013	Net fair value Dec 31, 2012
Foreign exchange forward contracts and swaps	12.6	-10.2	2.3	-4.5
Cross-currency swaps	19.8	-0.4	19.4	-13.5
Electricity price forward contracts	0.2	-1.2	-1.0	-0.4
Total	32.6	-11.8	20.8	-18.4

Nominal values of derivative financial instruments MEUR	Dec 31, 2013	Dec 31, 2012
Foreign exchange forward contracts and swaps	1,366.3	1,094.9
Cross-currency swaps	138.9	139.3
Electricity price forward contracts	5.8	4.1
Total	1,510.9	1,238.3

The fair values of foreign exchange forward contracts and swaps as well as the fair values of cross-currency swaps are measured based on price information derived from active markets and commonly used valuation methods (fair value hierarchy level 2). For electricity price forward contracts there exists a stock exchange price, based on which the fair value can be measured reliably (fair value hierarchy level 1).

The fair values are represented in the balance sheet on a cross basis and can be set off on conditional terms. No collaterals or pledges have been given as security against any liabilities or received against any assets arising from derivatives or other financial instruments. Financial contracts are executed only with counterparties that have high credit ratings. The credit risk of these counterparties as well as the present creditworthiness of KONE are considered when calculating the fair values of outstanding financial assets and liabilities.

Impact of the application of revised IAS 19

The revised IAS 19 `Employee Benefits´ standard was published in 2011 and became effective as of January 1, 2013. KONE has restated its comparative figures for 2012 according to the amended standard.

According to the revised standard, actuarial gains and losses relating to defined benefit obligations are recognized as they occur. This has increased KONE's reported employee benefit liability. Net interest cost has replaced interest expense and expected return on plan assets. This change had no material impact on KONE's reported net income in 2012.

As a part of the application of the revised IAS 19, KONE has changed the presentation of expenses relating to defined benefit obligations; cost relating to work performed during the period (service cost) is presented in employment expenses, while net interest is presented in financing expenses. Previously all expenses relating to employee benefits were reported in employment expenses. KONE has also reclassified its employee benefit liability as part of interest-bearing net debt. Previously it was presented as part of working capital.

The tables on pages 24–25 show the impact of the restatement on KONE's financial figures 7–9/2012 and 1–12/2012.

Restatement impact in statement of income	**10–12/2012**			**1–12/2012**		
MEUR	**Published 2012**	**Restatement effect**	**Restated 2012**	**Published 2012**	**Restatement effect**	**Restated 2012**
Sales	1,857.7		1,857.7	6,276.8		6,276.8
Costs and expenses	-1,581.4	1.8	-1,579.6	-5,369.5	7.4	-5,362.1
Depreciation and amortization	-20.7		-20.7	-86.0		-86.0
One-time cost	-		-	-37.3		-37.3
Operating income	255.6	1.8	257.4	784.0	7.4	791.4
Share of associated companies' net income	0.9		0.9	4.3		4.3
Financing income	12.7		12.7	42.9		42.9
Financing expenses	-20.9	-1.9	-22.8	-26.8	-7.5	-34.3
Income before taxes	248.3	-0.1	248.2	804.4	-0.1	804.3
Taxes	-65.2		-65.2	-193.3		-193.3
Net income	183.1	-0.1	183.0	611.1	-0.1	611.0
Net income attributable to:						
Shareholders of the parent company	180.0	-0.1	179.9	601.2	-0.1	601.1
Non-controlling interests	3.1		3.1	9.9		9.9
Total	183.1	-0.1	183.0	611.1	-0.1	611.0
Earnings per share for profit attributable to the shareholders of the parent company, EUR						
Basic earnings per share, EUR	0.70		0.70	2.35		2.35
Diluted earnings per share, EUR	0.70		0.70	2.34		2.34

Impact of the application of revised IAS 19

Restatement impact in statement of financial position	10–12/2012			1–12/2012		
MEUR	Published 2012	Restate-ment effect	Restated 2012	Published 2012	Restate-ment effect	Restated 2012
Assets	5,109.3	24.4	5,133.7	5,109.3	24.4	5,133.7
Deferred tax assets		32.1			32.1	
Pension surplus from defined benefit plans		-7.7			-7.7	
Equity	1,905.2	-71.5	1,833.7	1,905.2	-71.5	1,833.7
Retained earnings		-2.2			-2.2	
Remeasurements of employee benefits		-69.3			-69.3	
Liabilities	3,204.1	95.9	3,300.0	3,204.1	95.9	3,300.0
Employee benefits		95.9			95.9	
Interest-bearing net debt	-766.7	192.7	-574.0	-766.7	192.7	-574.0
Working capital (including financing and tax items)	-560.5	121.2	-439.3	-560.5	121.2	-439.3

Restatement impact in statement of cash flows	10–12/2012			1–12/2012		
MEUR	Published 2012	Restate-ment effect	Restated 2012	Published 2012	Restate-ment effect	Restated 2012
Cash flow from operations before financing items and taxes	262.7	3.9	266.6	1,055.3	15.5	1,070.8
Operating income		1.8			7.4	
Change in working capital before financing items and taxes		2.1			8.1	
Cash flow from operating activities	211.2	3.9	215.1	926.6	15.5	942.1
Cash flow after investing activities	76.9	3.9	80.8	706.4	15.5	721.9
Cash flow from financing activities	-10.2	-3.9	-14.1	-691.5	-15.5	-707.0
Change in loans payable and other interest-bearing debt		-3.9			-15.5	
Change in cash and cash equivalents	66.7	-	66.7	14.9	-	14.9

Shares and shareholders

Dec 31, 2013	Class A shares	Class B shares	Total
Number of shares	76,208,712	446,532,908	522,741,620
Own shares in possession [1)]		10,058,898	
Share capital, EUR			65,342,703
Market capitalization, MEUR			16,816
Number of B shares traded (millions), 1–12/2013		220.9	
Value of B shares traded, MEUR, 1–12/2013		6,975	
Number of shareholders	3	45,764	45,764

	Close	High	Low
Class B share price, EUR, Jan–Dec 2013	32.80	36.35	27.85

Share-related figures have been adjusted for the share split (1:2) of December 2013.

1) During January–December 2013, KONE used its previous authorization to repurchase own shares in January, and bought back in total 80,000 of its own class B shares. In April, 210,890 class B shares in the company’s possession were assigned to the share-based incentive plan. In July and August, KONE bought back in total 1,000,000 of its own class B shares. (Not split-adjusted)

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KONE is one of the global leaders in the elevator and escalator industry. KONE's 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 in an increasingly urbanizing environment. KONE provides industry-leading elevators, escalators, automatic building doors and integrated solutions to enhance the People Flow in and between buildings. KONE's services cover the entire lifetime of a building, from the design phase to maintenance, repairs and modernization solutions. In 2013, KONE had annual net sales of EUR 6.9 billion, and at the end of the year over 43,000 employees. KONE class B shares are listed on the NASDAQ OMX Helsinki Ltd in Finland. www.kone.com