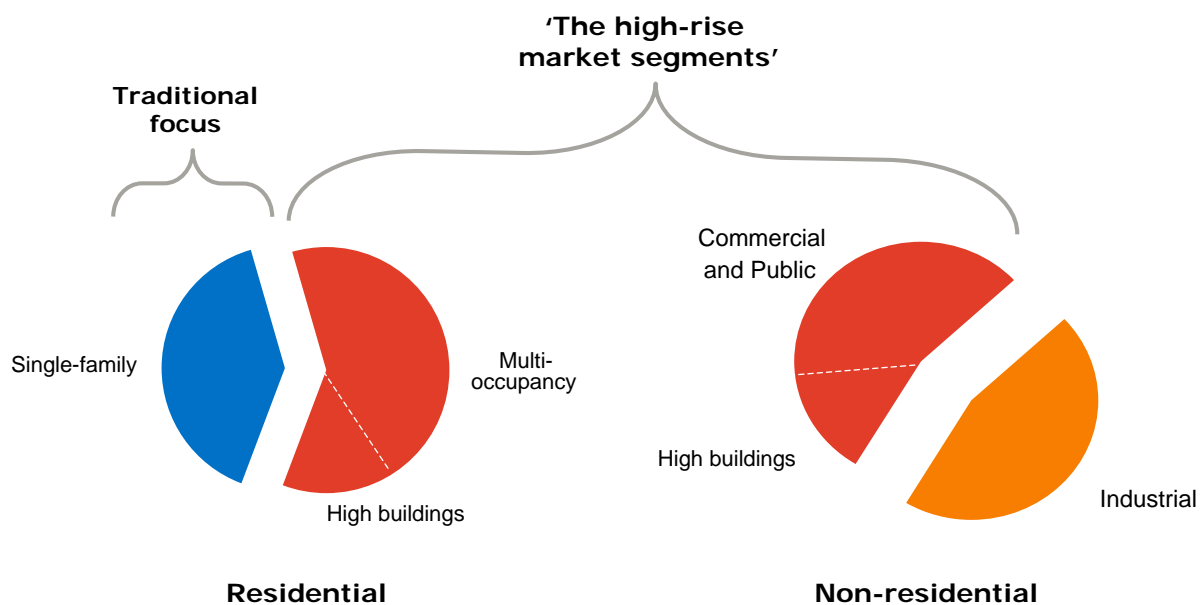




## The high-rise initiative

Jukka Kallioinen  
Executive Vice President, Offering and Development

## Uponor's strategic focus in Housing Solutions



# Both a type of a building and a business model

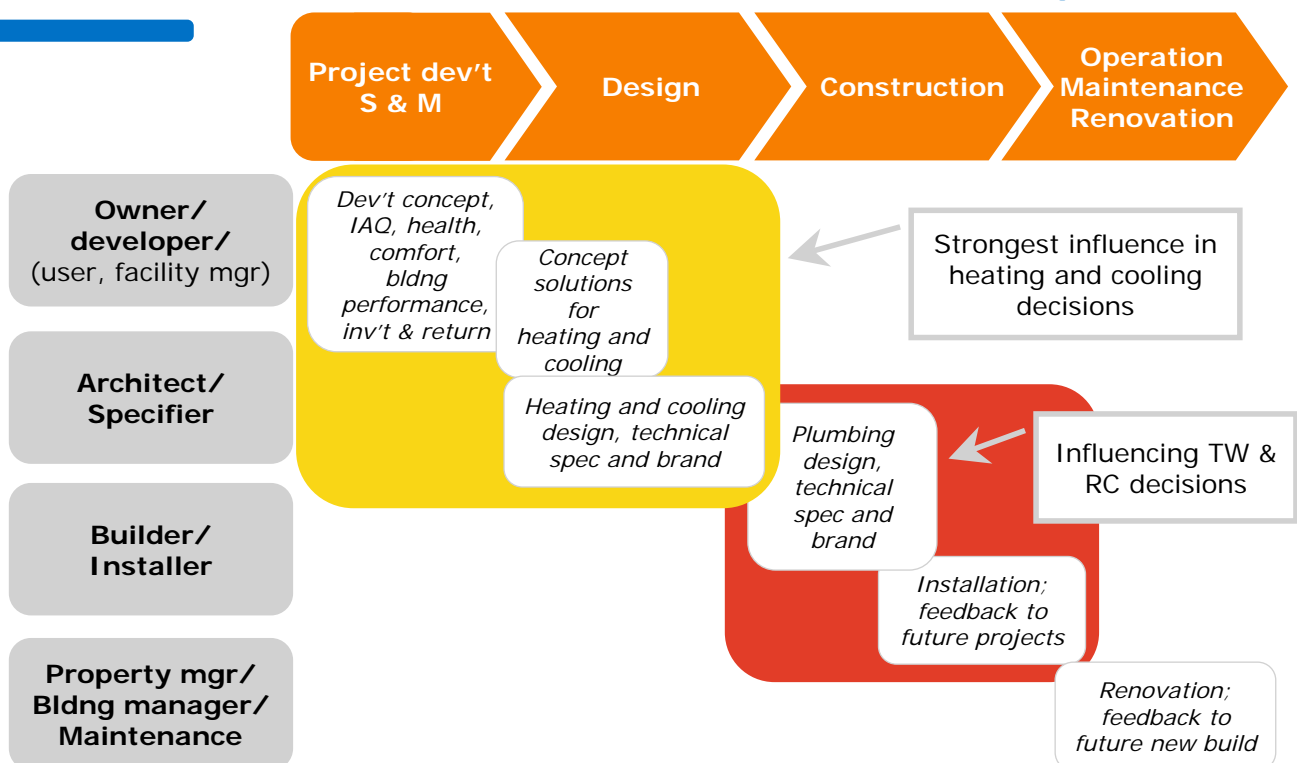


## High-rise is...

- ... everything outside the business traditionally driven by wholesalers and small installers
- ... most often a large building object, but also a market segment in which the **business model is driven by professional construction clients, developers, designers and general contractors**



# Decision points in the construction process



# Uponor's current market position



- Established market positions already in
  - TW/RC in Spain
  - UFH and radiant cooling in Germany (but still a low penetration in both applications)
- Uponor brand recognition in the high-rise segment
  - Finland: strong, but commercially underutilised
  - Germany: transfer of former system brand equity ongoing
  - Spain: top-of-mind amongst installers, budding relationships with developer organisations
  - relatively low in other markets

# High-rise business opportunity



		High-rise segment	
	Single-family	Residential, multi-occupancy	Commercial & Public
Plumbing	<ul style="list-style-type: none"> <li>• Constant mkt size</li> <li>• High plastics penetration</li> </ul>	<ul style="list-style-type: none"> <li>• Constant mkt size</li> <li>• Medium plastics penetration</li> </ul>	<ul style="list-style-type: none"> <li>• Constant mkt size</li> <li>• Low plastics penetration</li> </ul>
Radiant Heating	<ul style="list-style-type: none"> <li>• Saturated UFH growth excl. N.A.</li> <li>• Fully penetrated</li> </ul>	<ul style="list-style-type: none"> <li>• Emerging demand</li> <li>• Significant potential</li> <li>• Undeveloped market</li> </ul>	<ul style="list-style-type: none"> <li>• Existing demand</li> <li>• Unexploited potential</li> </ul>
Radiant Cooling	<ul style="list-style-type: none"> <li>• Logical extension of offering</li> <li>• Strong brand position</li> <li>• Emerging demand</li> </ul>	<ul style="list-style-type: none"> <li>• Emerging demand</li> <li>• Significant potential</li> <li>• Undeveloped market</li> </ul>	<ul style="list-style-type: none"> <li>• Existing but undeveloped market opportunity</li> </ul>

## The high-rise market potential



- Total construction output in new-build high-rise in Europe and North America amounts to EUR 1,000bn
- Plumbing & Heating market size in new-build exceeds EUR 4bn
  - of which: Plumbing  $\frac{3}{4}$ , UFH (excl. cooling)  $\frac{1}{4}$
- Current Uponor plumbing and UFH business in the high-rise segment amounts to ~EUR 220–260m, incl. renovation
- Existing presence mainly in the public and commercial sector
- In the residential sector route-to market through owners, developers and specifiers



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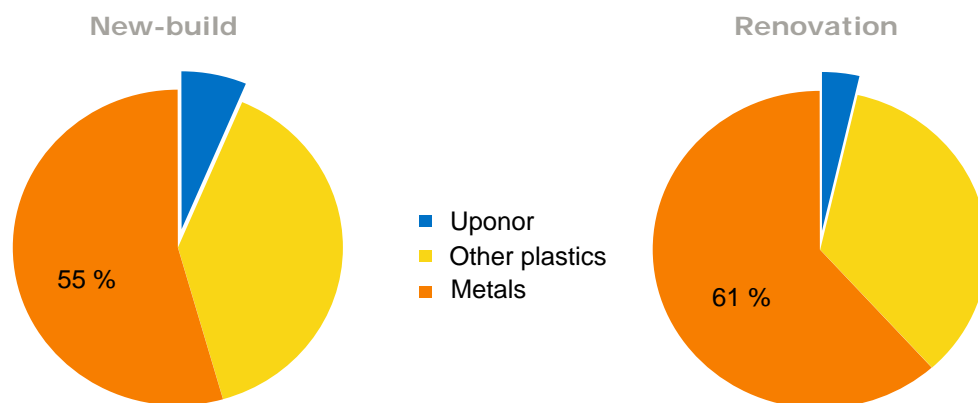
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## The high-rise plumbing market



Total plumbing market size >EUR 3bn



(1) Key Uponor markets included

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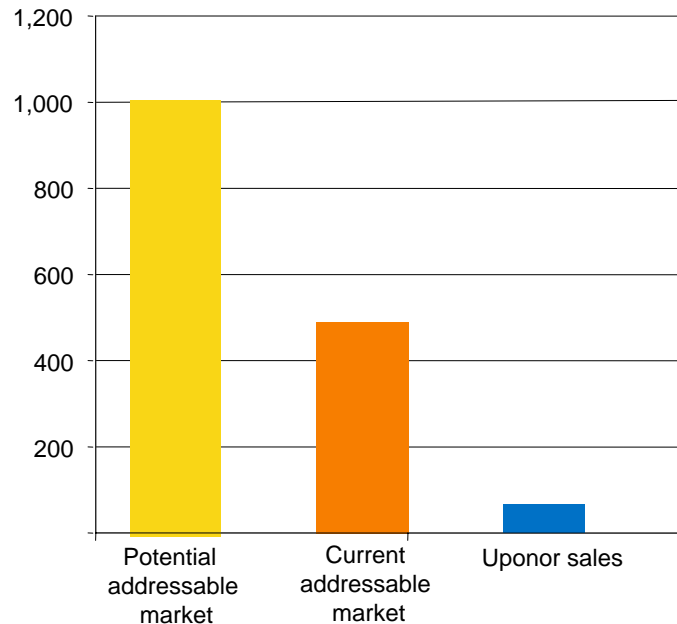
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## The high-rise underfloor heating market

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The high-rise underfloor heating market with assumed medium-term penetration has a potential of ~EUR 1bn, incl. renovation



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## Competitive challenges in growing high-rise segments

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- Heating market dominated by radiators and forced air
- Copper and steel more competitive as pipe diameters grow
- Cooling traditionally carried out by air-conditioning
- In large buildings, compliance with fire and sound regulations of greater importance
- Different logistic/supply requirements

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## High-rise actions

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### Uponor's high-rise initiative – the launch

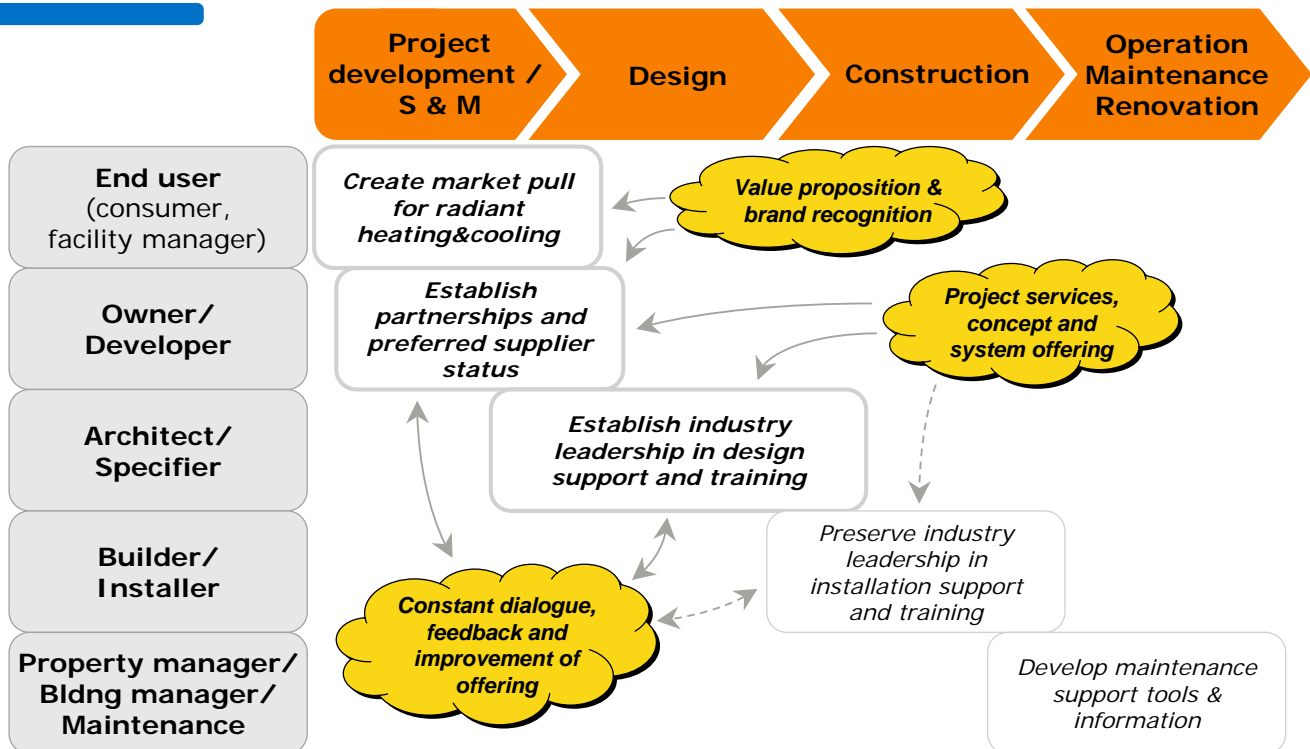
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- Identification of value chains, decision-makers and offering development needs
  - Large markets in Europe are key
- Dedicated organisation
  - Management of key international accounts
  - Competence building – project sales



## Concept for market establishment

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## Uponor's high-rise initiative – current challenges

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- Deepen understanding of markets
- Establish awareness, credibility and position
  - Value proposition and positioning towards professional customers
  - Develop/tailor marketing for high-rise target audiences
  - Partnerships and pilots with selected (global) players
  - Presence and role in strategic constructor industry
  - R&D programmes on international level
- Offering development
  - Priority product development projects (short-term)
  - Define, develop and implement project services approach
  - Cooling development



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## Summary

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### Uponor's high-rise initiative – summary

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- Large, unexploited market potential both in new-build and renovation
- Short-term growth opportunity in plumbing through plastics penetration
- Underfloor heating offers large, sustainable long-term prospects
- Cooling business will offer new growth prospects in both the high-rise and the single-family segment
- Main development needs: go-to-market approach, offering adaptation and segment-specific support tools and training programmes

**Supports the attainment of Uponor's long-term financial targets both in terms of growth and profitability**