

A photograph of a traffic light with the green light illuminated, set against a bright sky with clouds. The image is positioned on the left side of the slide, partially overlapping the text area.

## Update on Uponor's European ERP programme

**Capital Markets Day**  
12 Dec. 2007, Vantaa, Finland

Jyri Luomakoski  
Executive Vice President and CFO, deputy CEO  
Uponor Corporation

## Growth

Build on current platforms

Organic growth  
Increased focus on managing the value chain  
Differentiated offering through innovation  
Strengthen position in Europe and evaluate international expansion

## Brand

Strengthen the Uponor corporate brand

One brand  
Unified culture  
Strengthen the image on the market  
Leverage the product portfolio

## Operational excellence

Integrate the company

**Harmonised processes (ERP)**  
Competence transfer  
Leverage the supply chain

- Decision to go ahead in August 2004

## WHY?

- History of growth through acquisitions
- No previous integration due to multi-channel/multi-brand
- Over 30 ERP-like systems in use within the European operations
- Restructuring and integration of Uponor has led to increased internal supplies
  - control of the supply chain
- Programme kicked off practically end of 2004



# Achievements so far



- First pilot go-live in July 2006 in Germany
  - Sales operations only
- First full scope go-live in December 2006 covering rest of German system sales and two factories
- In the Nordic, a small fittings production site went live in July 2007
  - First-time adoption of automated inter-company business
- Latest go-lives simultaneously in Sweden, Norway and Denmark in early November 2007
- Preparations ongoing for the Iberian go-live at the beginning of 2008

# Roadmap ahead

- Iberian go-live in early January 2008
- Remaining Nordic Housing Solutions business to go-live in May 2008
  - Finland Sales as well as Finnish HS Production
- UK/Ireland and Italy to commence after completion of the Nordic Region, planned go-live for late 2008
- After 2008, all European HS production serving Uponor system sales will be on the common Oracle ERP platform, as well as the vast majority of our European HS sales



- Learning to execute new common processes is time-consuming
  - Stabilisation periods extended from initial assumptions
- Integrated planning a challenging task
  - Building trust takes time, more than anticipated
- Project like this needs a lot of resources
  - Especially in times where demand is volatile



- Costs of licenses and external implementation work, capitalised
  - 2004: 0.8 MEUR
  - 2005: 10.6 MEUR
  - 2006: 13.8 MEUR
  - 2007: 7.5 MEUR, estimate
  - 2008: < 5.0 MEUR, budget
  
- After 2008, incremental improvements and possible rollouts to small sales units included as part of normal support costs and will be expensed

- Major benefit areas expected to concentrate on:
  - Capital employed, especially inventories with focus on internally-supplied inventories
  - Sourcing, important facilitator of pooled component sourcing
    - plastic raw materials and metals already jointly managed
- Additional, harder-to-measure benefits in the areas of:
  - Integration benefits from common processes
  - Better management information when real like-for-like measurement across Uponor units possible

