



Market update

Capital Markets Day

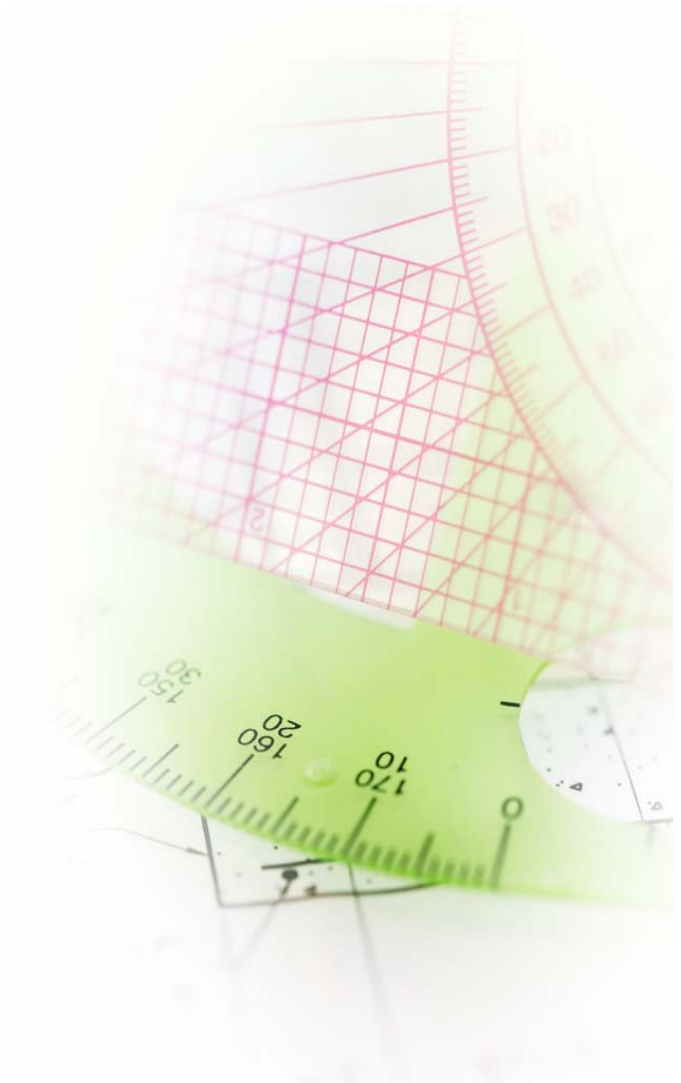
12 Dec. 2007, Vantaa, Finland

Jyri Luomakoski

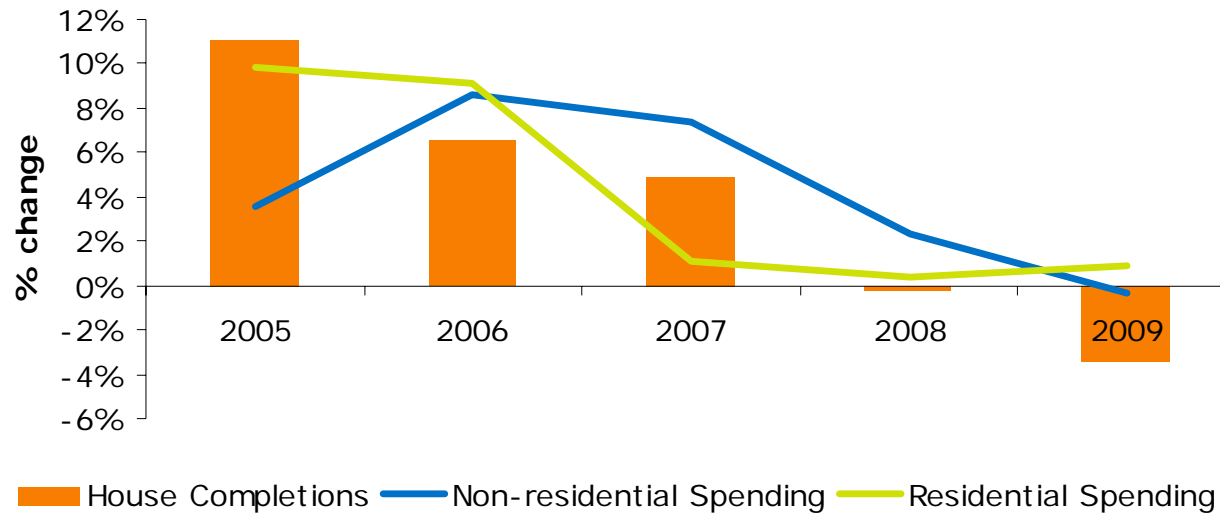
Executive Vice President and CFO, deputy CEO

Uponor Corporation

- Construction market update
 - Nordic
 - Germany
 - Spain
 - UK
 - France
 - Europe – total
 - USA
- Recent trends and developments
- Impact on Uponor locally



Construction Activity - Nordic

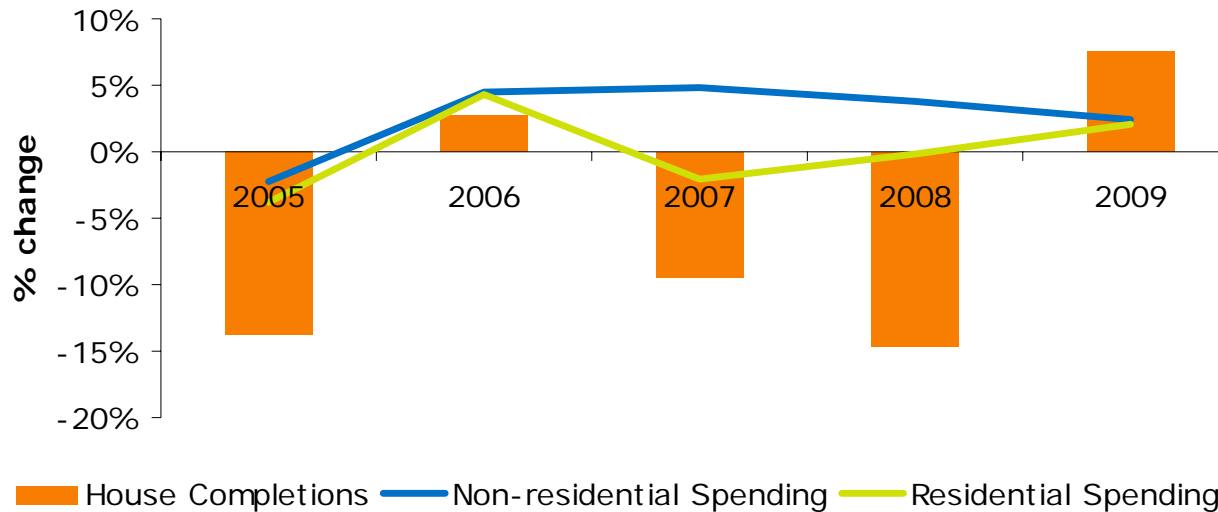


Source: Euroconstruct 11/2007

- 2008 housing completions should remain close to current levels on the strength of the Swedish market.
- 2009 completions should fall 3%, primarily as a result of a slowdown in the multi-family segment (-5.7%).
- Non-residential construction spending is expected to increase slightly (+2.4%) in 2008 before levelling off in 2009.

Construction market update Germany

Construction Activity - Germany



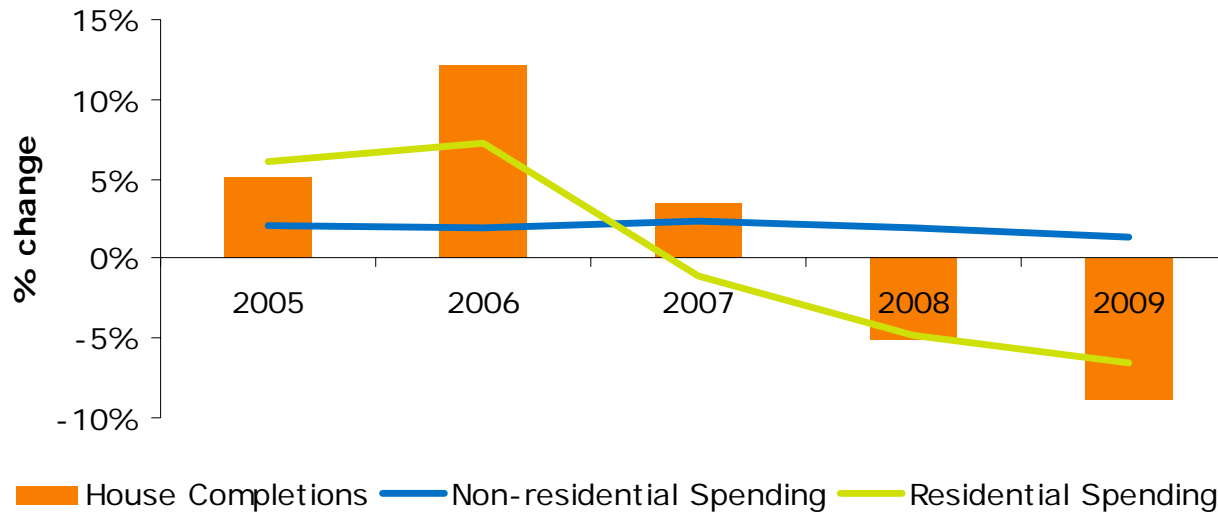
Source: Euroconstruct 11/2007

- The construction slowdown experienced during H2 2007 will also be reflected in the number of completions in 2008.
- A recovery should begin during 2009.
- Non-residential construction spending is expected to continue to develop positively, growing by 3.8% in 2008 and 2.4% in 2009.

Construction market update

Spain

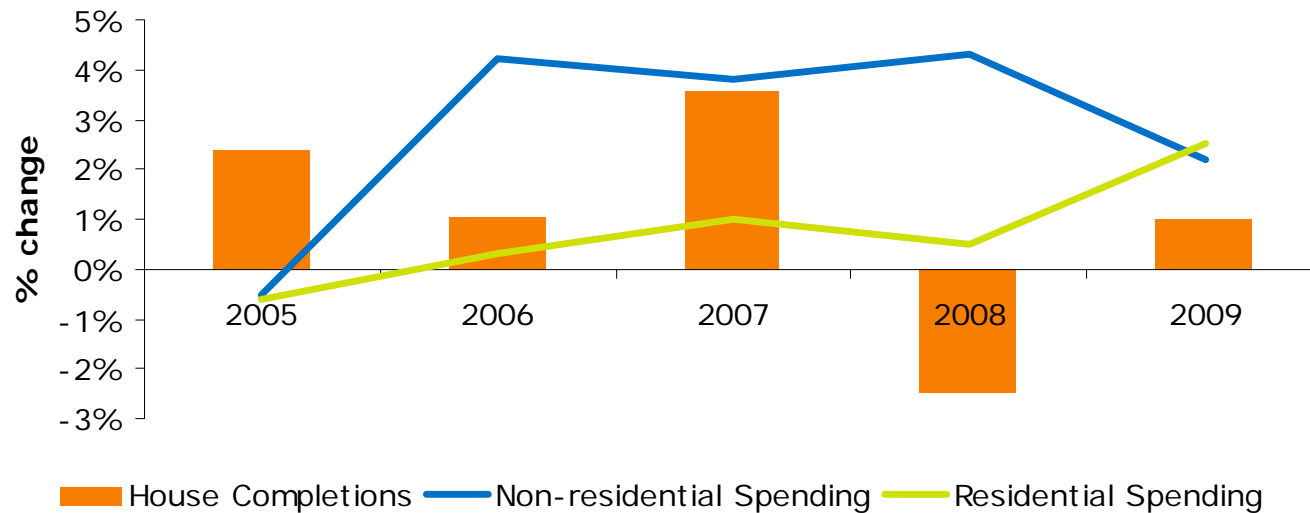
Construction Activity – Spain



Source: Euroconstruct 11/2007

- All signs indicate that the long-predicted slowdown in the residential construction industry has arrived, although there are different views on its severity.
- Completions are expected to fall each year throughout the forecast period.
- Non-residential construction spending should make slight yearly gains of approximately 1.5% from 2008 to 2010.

Construction Activity - UK

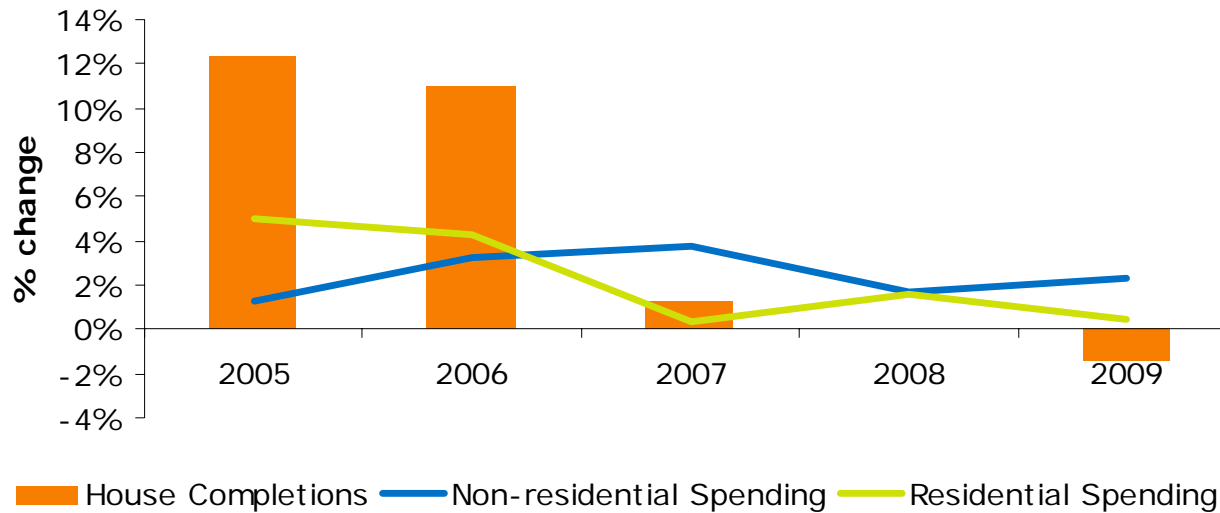


Source: Euroconstruct 11/2007

- Completions are expected to reach their peak during 2007, and are expected to remain at high levels during the forecast period.
- Non-residential construction spending should continue to show growth through 2010.

Construction market update France

Construction Activity - France



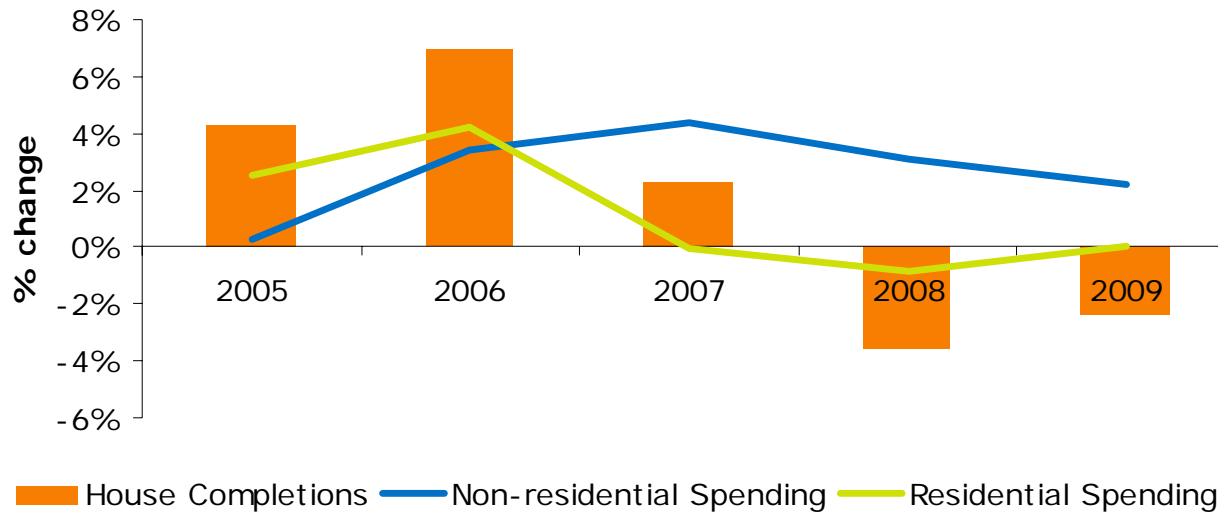
Source: Euroconstruct 11/2007

- Completions are expected to peak at 410,000 during 2007 and to remain around the 400,000 level during the forecast period.
- The non-residential segment should continue to show steady growth during the next few years.

Construction market update

Europe – total

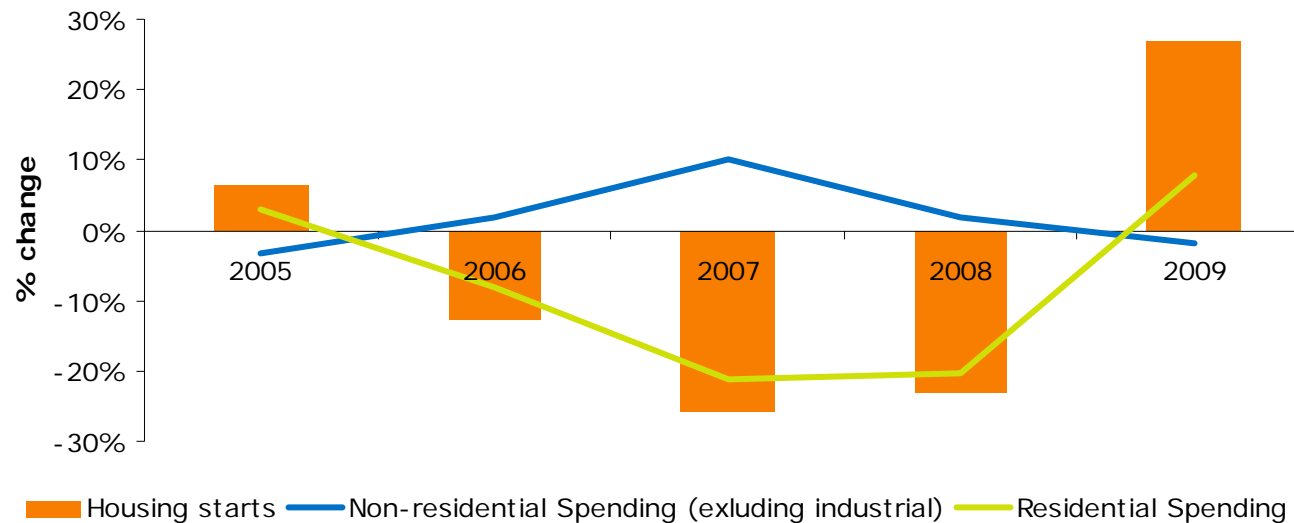
Construction Activity – Euroconstruct Countries



Source: Euroconstruct 11/2007

- 2007 will likely mark the peak for housing completions, but activity should remain at good level.
- Non-residential spending is expected to continue to grow, while spending on the residential segment should remain relatively constant over the next couple years.

Construction Activity - USA



Source: Global Insight 11/2007

- A housing recovery is not expected until at least late 2008, but cannot begin before the high inventory of unsold homes is reduced.
- The non-residential segment is expected to remain stable, as long as the problems in the housing market do not spread to other parts of the economy.



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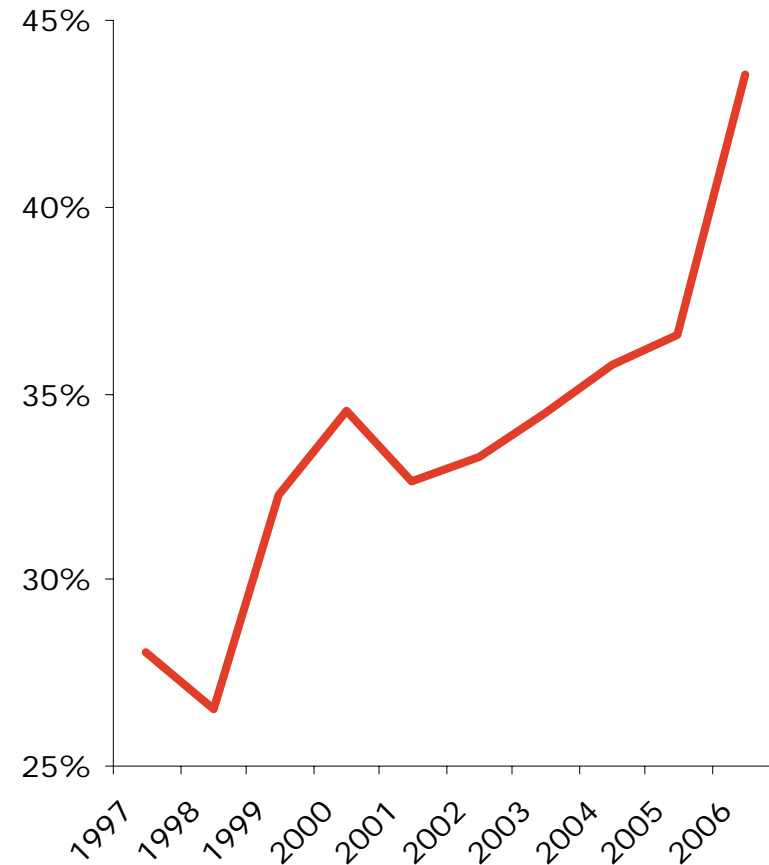
**Recent trends and
developments**

Large builders continue to gain market share in the residential segment



- The share of new home sales controlled by the largest 100 builders in the USA has grown from 28% in 1997 to 44% in 2006 (chart).
- The largest 10 builders have grown their market share from less than 10% in 1997 to more than 25% in 2006.
- More and more large construction companies are extending their activities beyond the multi-family segment and committing resources to growing in the single-family segment.
- The European residential segment is much more fragmented, but the trend is pointing towards accelerated consolidation.

Share of US new-build housing market controlled by the largest 100 builders

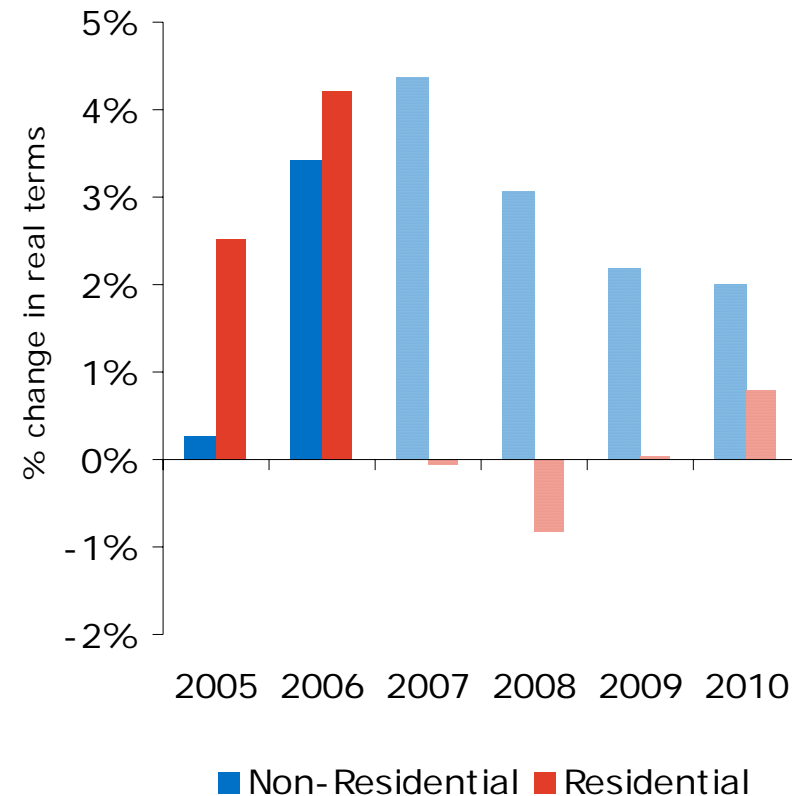


Source: Builder Online

Non-residential construction is maintaining strength

- While the residential segment has peaked or is in decline in most markets, the non-residential segment continues to grow.
- Leading the growth in Europe in 2008 will be increases in investments in offices (+7.1%), commercial spaces (+3.4%).
- In the US, the non-residential segment is expected to outperform the residential segment, assuming that the credit situation is contained.

Construction Spending in Europe

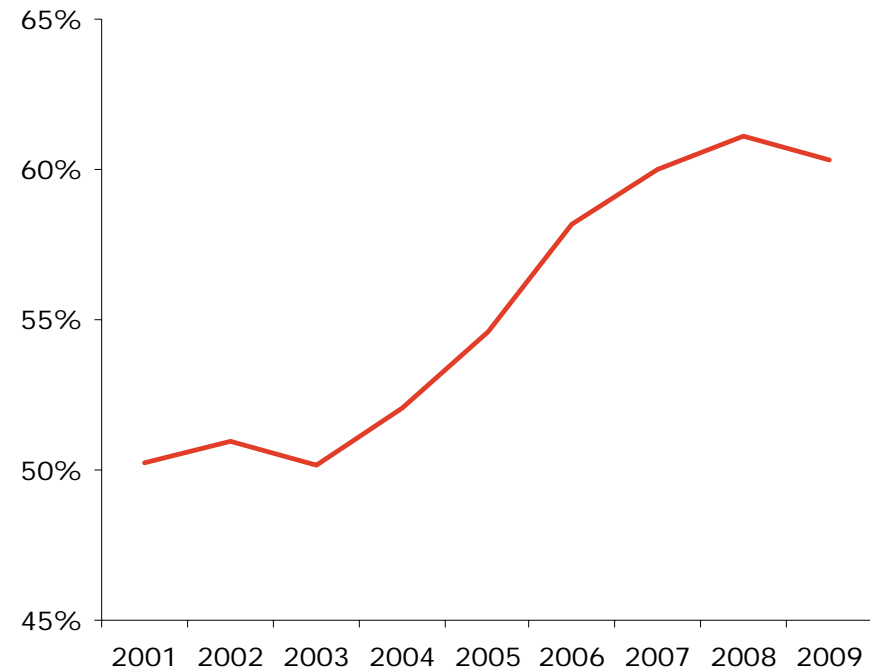


Source: Euroconstruct 11/2007

Urbanisation is leading to an increasing share of multi-family housing **Uponor**

- The share of multi-family housing in the European residential segment continues to grow.
- In Spain, 78% of all dwellings completed in 2007 will be multi-family. In Italy, the corresponding figure is 84%.
- As population densities rise, the trend towards multi-family housing solutions will likely spread to countries traditionally dominated by single-family housing.

Share of Multi-family housing in completed dwellings in Europe



Source: Euroconstruct 11/2007

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A blue puzzle globe is shown on the left side of the image, with several puzzle pieces scattered on the surface in front of it. The globe is partially assembled, and the pieces are arranged to form a globe. The background is a light blue gradient.

Impact on Uponor locally

- Larger builders in the single-family segment
 - IMPACT: Uponor needs to continue to adapt its processes, products and services to meet the demands of large builders in what has traditionally been dominated by smaller players.
- Strength in non-residential construction
 - IMPACT: Uponor needs to continue to establish partnerships with the players involved in commercial, public, and office construction projects and offer solutions that take into account the unique demands of these buildings.
- Increasing urbanisation
 - IMPACT: Uponor needs to continue to offer solutions that cater to the demands and challenges presented by multi-family buildings, as well as to develop relationships with the companies involved in their construction.
- **The investments that Uponor has been making since the high-rise initiative was announced in 2006 should allow us to capitalise on changes in the construction industry going forward.**

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simply more

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The actual result may differ materially from such statements.*