

Uponor's European ERP programme

Jyri Luomakoski

CFO and deputy CEO

Capital markets day

Fulda/Zella-Mehlis, 14-15 September 2005

Bringing
comfort
to life

Contents

- Background – why is an European ERP needed?
- ERP as an integral part in Uponor's strategy
- Programme scope
- Expected benefits
- Timetable, accounting treatment

Bringing
comfort
to life

Background – why is an European ERP needed?

- History of growth through acquisitions
- Due to multi-channel, multi-brand no integration work done
- Over 30 ERP-like systems in use within the European operations
- Restructuring and integration of Uponor has led to more internal supplies
 - control of the supply chain
- Feasibility for an European ERP programme done together with Accenture in early 2004
- Go-ahead decision made in August 2004
- Internal project name "U2"
- Deloitte Consulting as external implementation partner

Uponor's core strategy

Growth

Build on current platforms

Grow essentially organically

Increased focus on customers

Enhance product offering through innovation

Strengthen position in Europe

Corporate brand

Strengthen the Uponor corporate brand

Single brand strategy 2006 ->

Unified culture

Strengthen the image on the market

Allows to leverage the product portfolio

Operational excellence

Integrate the company

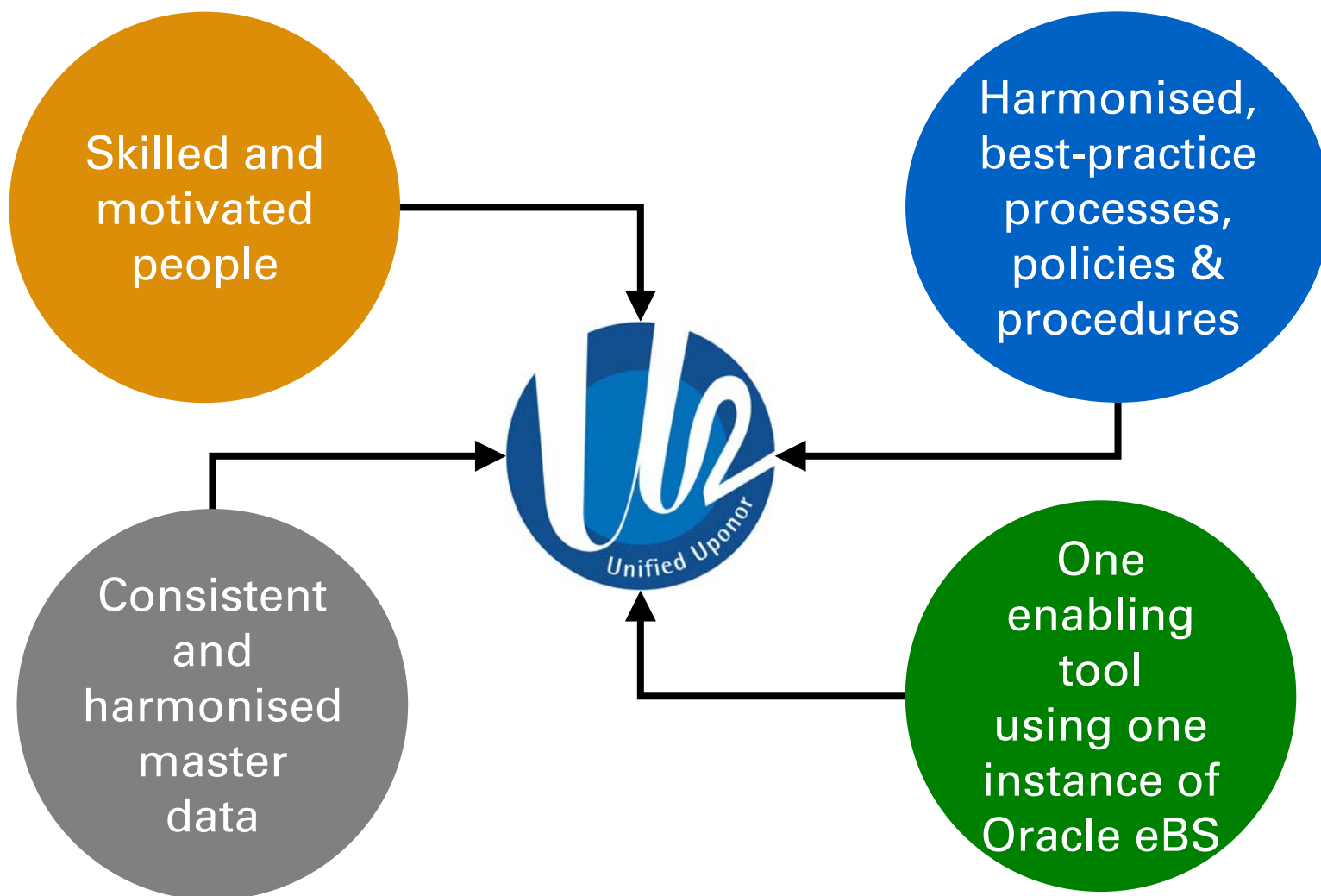
Integrated processes incl. ERP system

Competence transfer

Leverage the supply chain

Bringing *comfort* to life

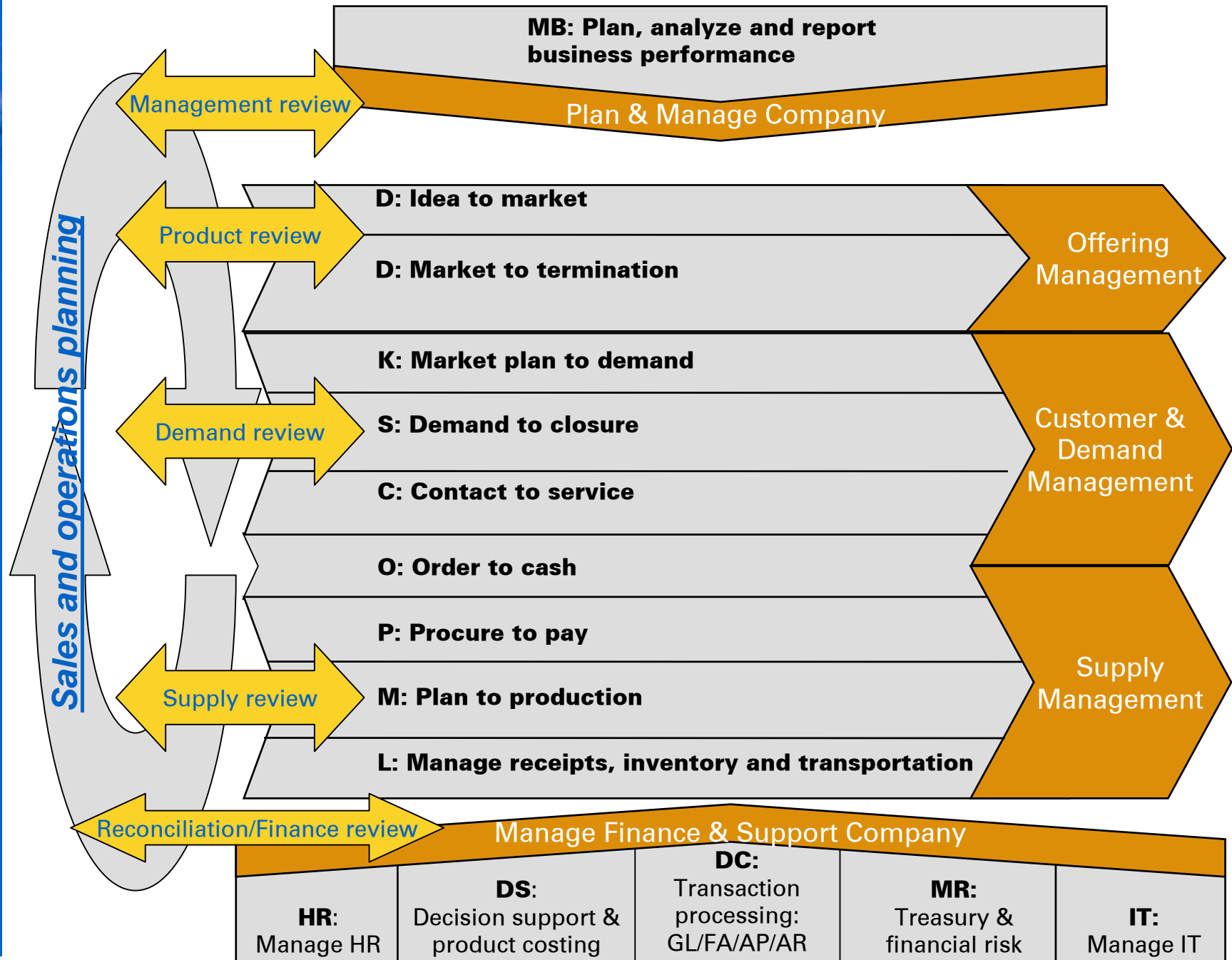
Programme scope: U2 integrates the processes, skills and tools



Bringing
comfort
to life

Business & process architecture

Process domains and processes



Bringing
comfort
to life

Sales and operations planning



Expected benefits

- Facilitator of process harmonisation
- Customer service
- Capital employed, especially inventories
- Efficiency of back-office processing

Bringing
comfort
to life

Timetable, accounting treatment

- We are currently in the build and test phase
- First pilot to go live in Q2/2006 in Central Europe
- Main roll-outs during 2006 and 2007, Central Europe and Nordic
- Europe - WES completed in 2008

- Software licenses and external implementation work is capitalised
- All internal project costs expensed as period costs

- **Both included within our normal earnings and capital expenditure guidances**

Bringing
comfort
to life

Bringing
comfort
to life



©
Uponor