Indoor Climate strategy
Capital Markets Day
September 2009

Ilari Aho
Vice President, Indoor Climate

Uponor’s Indoor Climate business in 2008
Global net sales EUR 240 million

- Energy products
- Ventilation
- Pre-insulated pipe systems
- Other radiant cooling
- Underfloor Heating and Cooling

SW
Nordic
EEI
CE
Uponor’s European market position in Indoor Climate solutions

<table>
<thead>
<tr>
<th>2008</th>
<th>Radiant heating</th>
<th>Radiant cooling</th>
<th>Pre-insulated pipe systems</th>
<th>Ventilation</th>
<th>Energy products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Europe</td>
<td>● ●</td>
<td>● (1)</td>
<td>● ● (2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nordic countries</td>
<td>● ●</td>
<td>●</td>
<td>● ● (2)</td>
<td>●</td>
<td>● ● (2, 3)</td>
</tr>
<tr>
<td>South and West Europe</td>
<td>● ●</td>
<td>● (2)</td>
<td>● ● (2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>East Europe</td>
<td>● ●</td>
<td>● (2)</td>
<td>● ● (2)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Uponor position

- In top 1 or 2
- In top 3 to 5
- Market presence
- Emerging

1) office and commercial buildings
2) varies by national market
3) refers to ground energy collection products only

Market environment and trends

1. Economy and society
   - Economic downturn to continue to 2010 and beyond, with major impact on new-build volumes
   - Environmental concerns creating demand for green solutions
   - Mobility and other technological solutions enabling lifestyle and work changes
   - Ageing population focusing on comfort, ease of use and carefree attitudes

2. Policy and regulation
   - Strong harmonised (European) energy policies, building codes and standards driving energy efficiency, low energy / passive buildings and renewable energy
     - Member states shall ensure that all new buildings are at least net zero energy buildings by 31 Dec 2018 at the latest (Energy performance of buildings directive)
   - Public stimulus packages directed to renovation and public construction

3. Construction, customers, value chain
   - Renovation growing in importance in construction expenditure
   - Industrialisation of the construction process
   - Drive for simplification of procurement chains and contractual arrangements
   - Internationalisation of CSPs (Construction service provider) and developers
   - Private label and other pressures from the distribution channel

4. Competition
   - Global competition focusing on energy efficiency and total system supply
   - Emerging local competition from small turnkey suppliers
   - Field of competition expanding to traditional air-conditioning, controls companies, energy service companies etc.
   - Wholesalers as competitors with private label systems
Uponor’s Indoor Climate business scope

Indoor Climate Solutions
- Systems and services for maintaining healthy, comfortable and productive indoor climate
  - heating
  - cooling
  - ventilation
  - related control, management and optimisation systems

Based on the Low Exergy principle
- Operating at temperatures close to indoor temperature
- Able to utilise low-grade waste energy sources
- Based primarily on renewable energy sources
  - hydronic radiant heating and cooling
  - balanced heat recovery ventilation + hydronic heating and cooling
  - ground source and solar heating and cooling
  - local distribution systems for low-temperature heating and cooling

Overarching objectives for Indoor Climate Business

1. Back to growth mode by becoming a total solution provider
   - Re-establish leadership position in the residential new-build segment
   - Build and strengthen presence in non-residential buildings
   - Systematic entry into the renovation market

2. Europe-wide brand consistency and recognition
   - Build a recognised position as an Indoor Climate solution provider
# Main strategies for Indoor Climate

## Growth
- Boost growth

- Extend business model and offering to **complete indoor climate and energy solutions**
  - acquisitions/strategic alliances for offering extensions
  - controls as a key integration factor
  - engineering resources and competences
  - contracted installer network

- Build a position in **energy efficiency and indoor climate renovation**

- **Invest** in developing low radiant penetration/low market share countries

## Brand
- Among the top 5 brands in Europe

- **Transform brand image** from pipes and fittings to indoor climate solutions, energy efficiency support and partnering

## Operational excellence
- Improve profitability

- Differentiated solution architecture based on **harmonised and common system and services platforms** across Europe

- Consistent, efficient and Europe-wide **common efforts in marketing**

- Build **indoor climate expertise** in sales, marketing, technical support and offering

---

## Advantages of our Indoor Climate technology base

- **Superior indoor comfort**
  - No draught, uniform thermal environment
  - Silent, no fans or other noise sources

- **Excellent energy efficiency**
  - Minimised thermal losses
  - Best possibilities for utilising free and renewable energy sources
  - Energy efficiency improvement potential 5...25...50% compared to standard solutions

- **Added-value for the construction industry**
  - Differentiation through premium offering for the end-user
  - Construction and cost efficiency by integration of heating and cooling
Case example 1

Nupurinkartano

- New residential area in Espoo, Finland
  - construction start during 2009
  - low energy dwellings for 500-600 inhabitants
  - new integrated concept for low-energy residential areas with geothermal heating and cooling system
- Developed in partnership with
  - YIT (developer and main contractor)
  - Fortum (energy company)
- A novel business model, allowing the area, buildings, and heating & cooling systems to be optimised as one entity from the very start

Case example 2

Kranhaus, Cologne

- Spectacular architecture combined with ecological and economical building services solution
- Selected as the Office Building of the Year 2009 at the Mipim Real Estate Fair in Cannes
- Sustainable energy use with
  - Uponor TABS solution
  - ground-coupled heating and cooling
Case example 3
Dynamic Energy Management

- Higher energy efficiency
  - New and innovative control algorithms
  - Improved support for cooling

- Improved comfort
  - More even floor temperature
  - Faster reaction time
  - Comfort setting per zone
  - SMS module (optional)

- Making the installers life easier
  - Easier & more reliable installation
  - System status analysis
  - No need to install mechanical by-pass
  - Less need for after sales support

The text may contain forward-looking statements, which are based on the present business scope and the management’s present expectations and beliefs about the future. The actual result may differ materially from such statements.