



Speech by Jyri Luomakoski, President and CEO, at Uponor Corporation's Annual General Meeting on 18 March 2013

Dear shareholders, Ladies and Gentlemen,

I'd like to personally welcome you to this Annual General Meeting of Uponor. This year's meeting is a little different than before, because not all of our management team could be present today. Trade fairs and other customer events abroad required our colleagues' attendance. However, present today are our Finnish Executive Committee members, Riitta Palomäki, Chief Financial Officer, and Sebastian Bondestam, Executive Vice President, Supply Chain. Our CFO will present the financial statements after my speech.

For Uponor, year 2012 had many sides. The housing construction sector began to recover in the US, while the construction sector in Southern Europe continued its downhill spiral – especially in Spain and Italy. The public economy deficit slowed down investing in infrastructure solutions in the Nordic countries, which had a weakening effect on demand. Despite these dark clouds in the European skies, we managed to improve the result and profitability in all of our business segments last year. Uponor's turnover in 2012 was around 812 million euros, which is slightly more than the previous year's 806 million. Looking at these numbers, we must remember that we sold the German company Hewing GmbH in early 2012. The divestment shrunk our turnover by more than 25 million euros, but we gained back that amount through growth, mainly in the North American market.

As the result of streamlining measures and structural reforms, on average, there were some 200 employees less at Uponor last year than the year before. The number of employees grew parallel to the growth of demand in the North America, but decreased in Europe. For ten years now, we have performed annual personnel surveys on job satisfaction and matters affecting our employees' job performance. I am happy to announce that the results of the 2012 survey reached the highest average score so far. I would like to thank our competent and committed employees for their role in our company's positive development.

One important event last year was the decision we made with KWH Group to consolidate our infrastructure solutions business operations under a joint venture in which Uponor would hold majority stake. The goal was to establish an operator with competitive cost level, and by doing so promote the survival of the industry operations in Finland. However, the Finnish competition authorities have submitted a proposal to the Market Court to forbid this plan. Since the matter is pending, I will not make any further comments at this stage. However, I would like to say that Uponor and KWH will be defending their views to the market court and I am hopeful we will receive a favourable decision in late May.

Throughout its history, Uponor has thrived on change, responded well to changes, and used change for finding new business opportunities. Our operating environment is changing and developing at an increasing pace, and we must continue to boost our ability to react to challenges with efficiency and speed. This was also mentioned by the chairman of the Board of Directors in his opening remarks. In order to create new opportunities – and also to

respond to them – we have made an ongoing commitment to develop new products and business concepts.

Last week, at our industry's largest trade fair in Frankfurt, we introduced several improvements to our product selection. We also used the opportunity to introduce the new Uponor Renovis heating and cooling system suitable for renovation purposes. Last year in Finland, we launched a new Uponor Home service for home builders. It allows home builders to design their house's HVAC systems online together with a designer and also provides them with energy-efficiency calculations. More information on the service is available at our exhibition stand in the entrance hall. This spring, we will be introducing totally new technology to the market, but I cannot discuss it any further at this point. All these new things are proof of our willingness to reform and move the industry forward, while all the time meeting our customers' changing needs.

Energy-efficient systems that meet the requirement for sustainable development have taken an even more important role, and we have delivered such systems on many significant projects. At this point, I would like to mention one smaller project that is very meaningful to us. I am referring to the newest building at the Airport Plaza business park next to the Helsinki-Vantaa airport, which houses Uponor's new head office. In cooperation with NCC, we found a solution that allows our new office to be heated and cooled using Uponor's systems. The office is first of its kind in Finland, and follows the principles of sustainable development: the building has been granted the BREEAM Very Good certificate and an EU energy label for class A. Now we have the pleasure of being pioneers in our own land.

Although the future always holds change and uncertainty, the start of 2013 does not have me worried. The North American market will probably show the strongest growth among our market areas this year, but I believe we can find opportunities for growth and improvement in Europe as well. Energy-efficiency is one of the most important long-term trends, and it is here to stay. It will provide us with great growth opportunities. I am confident that our new products and competent staff will help us improve our performance again in 2013.

Thank you!