Uponor achieved its best-ever results

- All long-term financial targets were met
- Strong organic growth especially in Europe – West, East, South
- German market recovering
- Market demand in the US declined toward the end of 2006

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (MEUR)</td>
<td>1,157.0</td>
<td>+12.2%</td>
</tr>
<tr>
<td>Operating profit (MEUR)</td>
<td>143.7</td>
<td>+16.8%</td>
</tr>
<tr>
<td>Return on investment (ROI)</td>
<td>35.8 %</td>
<td></td>
</tr>
</tbody>
</table>
Development of Uponor to continue

- Implementation of the strategy and unification of the company are proceeding well
- The unified Uponor brand was launched at the beginning of 2006
- Implementation of the common enterprise resource planning (ERP) system began in Germany
Strategy was finetuned

- Uponor’s strategy was finetuned in 2006
- The strategy rests on three pillars
  - Enhance single-family leadership
  - Exploit IE leadership
  - Establish high-rise leadership
- The cooling business is to become one of the key pillars of Uponor’s operations in the future
- Strengthening of the brand and development of operational efficiency continue
Outlook for 2007

• Organic net sales growth is expected to reach the long-term target of more than 6 per cent

• Both the operating profit margin and the operating profit in euros are expected to increase from the 2006 level
Presentation of financial statements for 2006
Jyri Luomakoski, CFO and Deputy CEO

AGM, 15 March 2007
Income statement, p. 13

- **Net sales** reported change +12.2%
  - organic growth +14.6%

- Greatest growth (in euros) from the Europe – West, East, South and Central Europe regions

- **Gross profit** improvement mainly from economies of scale due to increased business volume as well as favourable development in the product offering
**Income statement, p. 13**

- **Fixed costs** increased but slower than net sales
  - efforts around brand unification, new growth initiatives and common enterprise resource planning (ERP) system increased costs

- **Operating profit** grew by 16.8% and was MEUR 143.7 or 12.4% of net sales

- **Profit for the period** was MEUR 96.5
Balance sheet, pp. 14 - 15

- **In fixed assets**, the most significant change was the decrease in other investments when the loan receivables related to the divested investment property were received in advance.

- **Inventories** increased by MEUR 16.7 due to increased business volume and material costs.
Balance sheet, pp. 14 - 15

- **Net interest bearing liabilities** were MEUR 21.7
- **Balance sheet total** was MEUR 643.9, of which shareholders’ equity MEUR 344.4
- **Solvency** 53.6%
Cash flow statement, p. 16

• Net cash from operations improved from previous year by approximately MEUR 27 due to increased profitability

• Due to better inventory management, MEUR 5.2 was released from net working capital

• Cash flow from operations MEUR 147.3
Cash flow statement, p. 16

• **Investments** MEUR 54.2, the biggest being:
  – European ERP system MEUR 13.8

• **Cash flow from financing** MEUR –155.0, of which MEUR 166 to shareholders consisting of ordinary dividend in the spring and extra dividend in the autumn
uponor

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