Review of operations in 2005
Jan Lång, President and CEO

AGM 16 March 2006
The new brand strategy focuses on the Uponor brand

+ close to 230 registered names
Net sales and operating profit developed favourably

<table>
<thead>
<tr>
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<th>2005</th>
<th>Comparable change</th>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>EUR 1,031.4m</td>
<td>+ 7.0%</td>
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<tr>
<td><strong>Operating profit (EBITA)</strong></td>
<td>EUR 123.0m</td>
<td>+ 9.9%</td>
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<tr>
<td><strong>Return on investment (ROI)</strong></td>
<td>28.1%</td>
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## Market outlook remains positive

### Residential new building

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<tr>
<th></th>
<th>Germany</th>
<th>Nordic</th>
<th>UK &amp; Ireland</th>
<th>Iberia</th>
<th>Italy</th>
<th>USA</th>
<th>Canada</th>
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<td><strong>2005</strong></td>
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<td><strong>Outlook 2006</strong></td>
<td><img src="image1.png" alt="Cloud" /></td>
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Uponor’s strategy rests on three pillars

**Growth**
Build on current platforms

**Brand**
Strengthen the Uponor corporate brand

**Operational excellence**
Integrate the company
New strategic focus on high-rise buildings

Uponor’s market position in underfloor heating and plumbing
(pie size reflects market size)
Summary of guidances for 2006

- **Net sales** to grow in line with long term targets and similar to 2005 organic growth rate
- **Operating profit** to be on 2005 level despite the ~6 MEUR other operating income included in the latter
Presentation of financial statements for 2005
Jyri Luomakoski, CFO and Deputy CEO

AGM 16 March 2006
First financial statements according to IFRS

- Uponor’s first financial statements prepared according to International Financial Reporting Standards (IFRS)

- Adoption of IFRS initiated by issuing a stock exchange release on 1 April 2005

- Change of reporting standards had a minor impact on the 2005 financial statements and balance sheet

- Financial report and Annual review now issued as separate documents due to increased information volume
• **Net sales** reported change –3.8%
  – Comparable change +7.0%
  – Greatest growth (in euros) from Nordic countries and North America

• **Gross profit** improvement mainly from more efficient production structure as a result of completed restructuring programme
• Fixed costs developed favourably
  – Slight increase in sales and marketing as well as product and systems development expenditure
  – Administration costs down by EUR 4.8 million

• Operating profit grew by 9.9%, in comparable terms, reaching EUR 123 million or 11.9% of net sales

• Profit for the period reached EUR 82.7 million
• Fixed assets
  – biggest change is the absence of investment property in the balance sheet

• Good development of capital tied in inventories – a decrease of ca EUR 25 million
• **Net interest-bearing liabilities** negative, i.e. cash and cash equivalent exceeded the amount of interest-bearing liabilities at the time of closing

• **Balance sheet total** at EUR 663.3 million, of which EUR 418.4 million in shareholders’ equity

• **Solvency** at 63.2%
• **Net cash from operations** improved by ca EUR 5 million as a result of stronger performance

• Better inventory management helped release EUR 22.8 million from net working capital

• **Cash flow from operations** at EUR 158.6 million
• **Investment in fixed assets** at EUR 49 million, mainly consisting of:
  – Enterprise resource planning system (ERP), EUR 10.6 million, for European operations
  – Manufacturing expansion in North America

• **Share divestments** generated EUR 19.9 million

• **Cash flow from financing** at EUR –120.3 million, of which ca 60%, or EUR 72 million, returned to shareholders in the form of dividends and share buyback