



uponor

Interim Q1/2006 results briefing

Helsinki 25 April 2006

Jan Lång
President and CEO

uponor

Q1/2006: Active demand in the markets

- Strong demand in housing solutions and infrastructure
 - Positive demand for Uponor solutions in main market areas
- Central Europe:
 - Demand satisfactory in Central Europe (except for Germany)
 - Downward trend in Germany halted
- Nordic and Europe – West, East, South:
 - Construction markets remain positive
 - Demand for infrastructure solutions in Nordic and Central Europe was damped by the prolonged winter season
- North America:
 - Very active demand for housing solutions continued in Canada and the US
 - Some downswings visible in the statistics during the past months but with no significant impact on demand

Q1/2006: Strong development of net sales

Net sales	MEUR	1-3/ 2006	1-3/2005	Change
Uponor		250,5	217,6	+15,1%
<i>Central Europe</i>		<i>73,6</i>	<i>68,5</i>	<i>+7,5%</i>
<i>Nordic</i>		<i>74,5</i>	<i>66,0</i>	<i>+12,8%</i>
<i>Europe-WES</i>		<i>87,7</i>	<i>70,8</i>	<i>+23,9%</i>
<i>North America</i>		<i>44,7</i>	<i>33,0</i>	<i>+35,4%</i>
<i>(North America, USD)</i>		<i>53,7</i>	<i>43,1</i>	<i>+24,5%</i>

- Strong growth in all Regions
- Decline in demand halted in Germany, positive growth in Central Europe
- Sales price increases faster than in Q1/2005
- Growth strategy bearing fruit in Europe-WES markets
 - especially Spain, England

Q1/2006: Profitability improved in Europe

Operating profit, MEUR	1-3/ 2006	1-3/2005	Change
Uponor	21,8	13,7	+59,3%
<i>Central Europe</i>	<i>9,8</i>	<i>7,4</i>	<i>+31,3%</i>
<i>Nordic</i>	<i>6,2</i>	<i>3,7</i>	<i>+76,3%</i>
<i>Europe-WES</i>	<i>7,0</i>	<i>2,4</i>	<i>+188,1%</i>
<i>North America</i>	<i>1,7</i>	<i>2,4</i>	<i>-28,3%</i>
<i>(North America, USD)</i>	<i>2,0</i>	<i>3,1</i>	<i>-34,0%</i>

- Leverage effect of net sales growth
- Strong development in European regions
- Disappointing result development in North America
 - development of net selling prices has temporarily been adverse due to changes in the sales mix triggered by price increases
- Improved efficiency led to better gross margin
- Higher costs stemming from strategic investments

Q1/2006: Highlights

- + Positive development both in growth and result
- + Good growth in the newer markets in Europe-WES
- + Infrastructure also growing steadily
- + Clear improvement in profitability despite simultaneous major investments in special projects

- Development of profitability in North America

25 April 2006

© Uponor 2006

Page 4



uponor

Interim Q1 / 2006 results briefing

Helsinki 25 April, 2006

Jyri Luomakoski, CFO and deputy CEO

Key figures

MEUR	1-3 2006	1-3 2005	Change Y/Y	1-12 2005
Net sales	250,5	217,6	15,1%	1 031,4
Operating profit	21,8	13,7	59,3%	123,0
Operating profit, %	8,7	6,3	38,2%	11,9
Earning per share (diluted), EUR	0,21	0,12	75,0%	1,12
Return on equity, %	15,9	9,8	62,2%	20,3
Return on investment, %	21,8	13,3	63,9%	28,1
Net interest bearing liabilities	46,0	81,7	43,7%	-26,9
Gearing, %	12,6	22,8	44,7%	-6,4
Average number of employees	4 175	4 202	-0,6%	4 169

25 April 2006

© Uponor 2006

Page 6

Income statement

MEUR	1-3 2006	1-3 2005	Change Y/Y	1-12 2005
Net sales	250,5	217,6	15,1%	1 031,4
Cost of goods sold	163,1	146,6	11,2%	667,6
Gross profit	87,4	71,0	23,1%	363,8
- % of net sales	34,9 %	32,6 %	2,3%	35,3 %
Other operating income	0,3	1,2	-77,8%	6,2
Expenses	65,9	58,5	12,7%	247,0
Operating profit	21,8	13,7	59,3%	123,0
- % of net sales	8,7 %	6,3 %	2,4%	11,9 %
Financial expenses, net	-0,8	0,2	467,3%	2,5
Profit before taxes	22,6	13,5	67,4%	120,5
Profit for the period	15,6	9,3	67,8%	82,7
EBITDA	30,6	22,3	37,6%	154,8

25 April 2006

© Uponor 2006

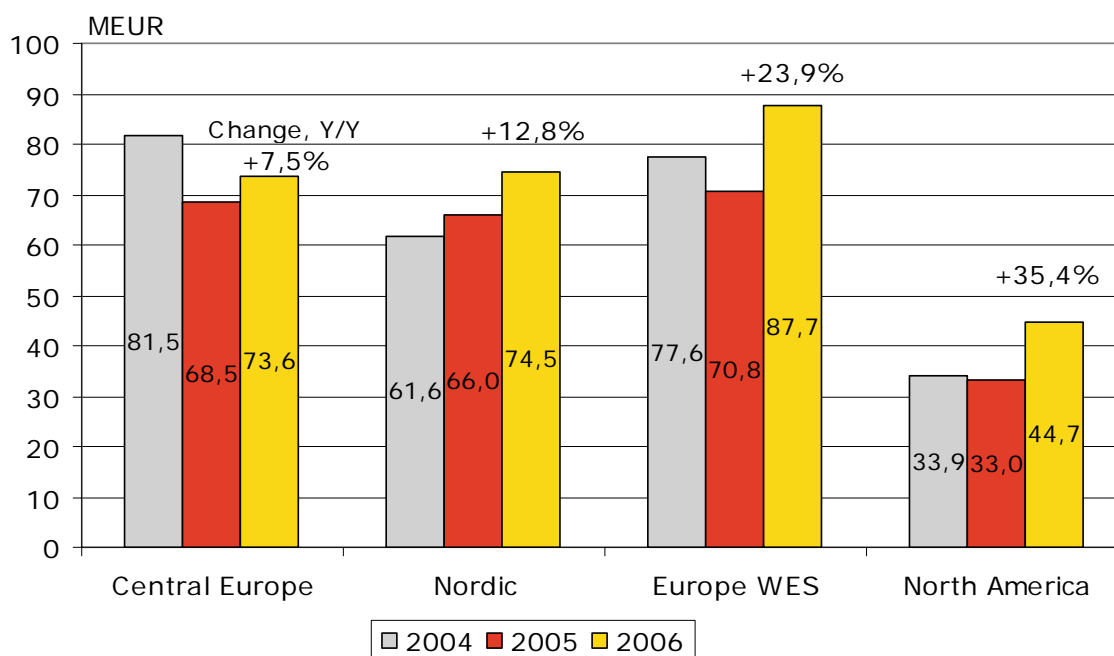
Page 7

Comments to income statement

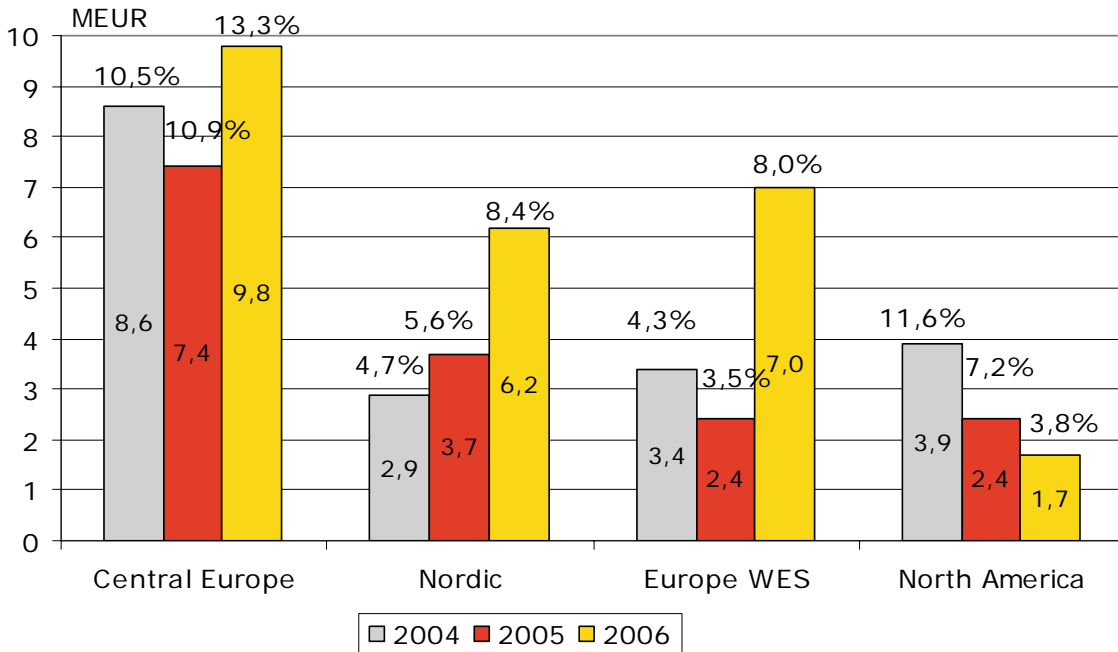
- Gross profit increase by 2.3%-points supported by benefits from restructuring and price increases to customers compensating higher raw material prices
- Total expenses up with 7.4 M€ mainly driven by variable sales costs, brand introduction costs and ERP programme
- Tax rate 31.0%

MEUR	1-3 2006	1-3 2005	Change Y/Y	1-12 2005
Net sales	250,5	217,6	15,1%	1 031,4
Cost of goods sold	163,1	146,6	11,2%	667,6
Gross profit	87,4	71,0	23,1%	363,8
- % of net sales	34,9 %	32,6 %	2,3%	35,3 %
Other operating income	0,3	1,2	-77,8%	6,2
Expenses	65,9	58,5	12,7%	247,0
Operating profit	21,8	13,7	59,3%	123,0
- % of net sales	8,7 %	6,3 %	2,4%	11,9 %
Financial expenses, net	-0,8	0,2	467,3%	2,5
Profit before taxes	22,6	13,5	67,4%	120,5
Profit for the period	15,6	9,3	67,8%	82,7
EBITDA	30,6	22,3	37,6%	154,8

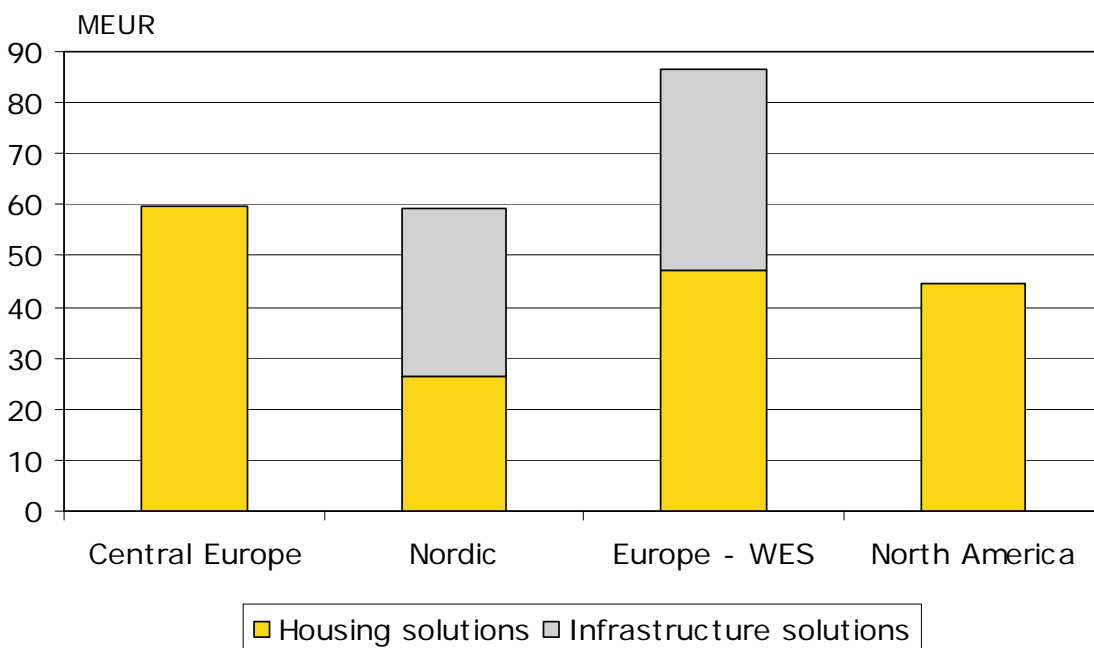
Geographical segment revenue development by region January - March



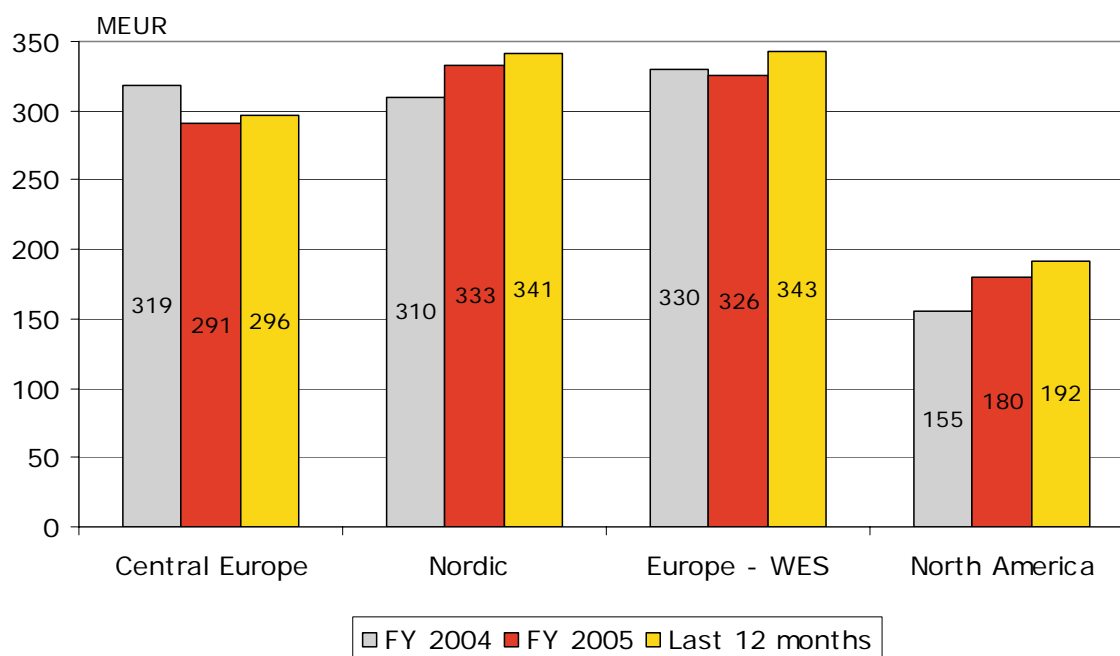
Geographical segment result development by region January - March



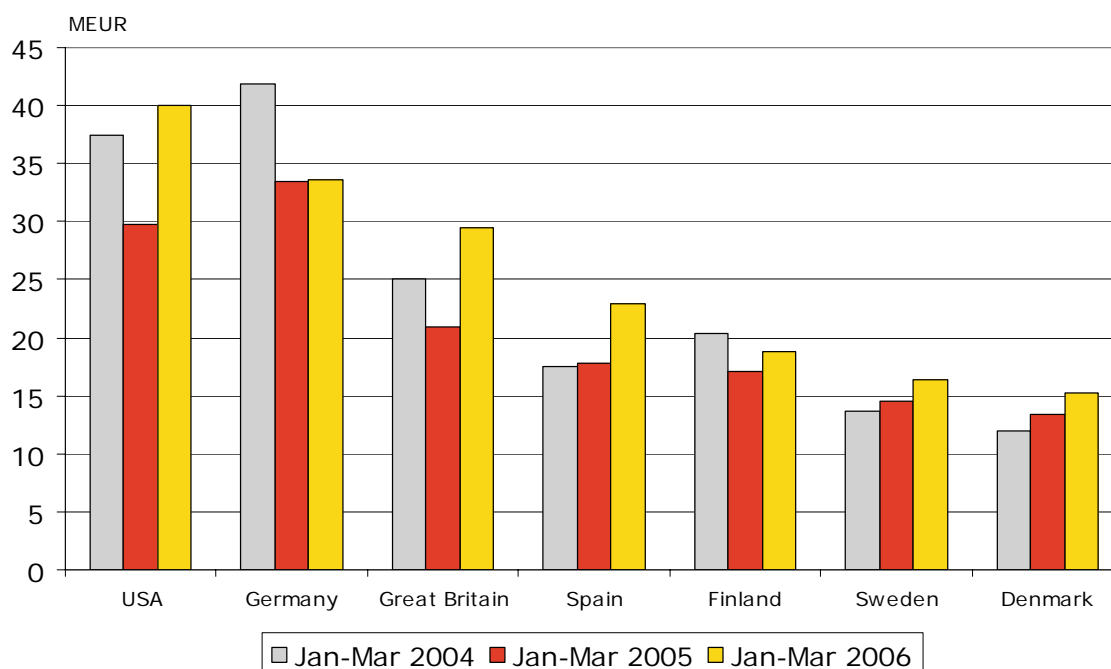
Business segment external revenue by region, January – March 2006



Segment revenue development by region, last 12 months



Net sales development by key national markets (< 5% of Uponor net sales)



Balance sheet

MEUR	31 Mar. 2006	31 Mar. 2005	Change Y/Y	31 Dec. 2005
Intangible assets	85,8	75,3	+10,5	85,1
Tangible assets	212,0	220,7	-8,7	214,9
Securities and long-term investments	17,3	23,5	-6,2	19,4
Inventories	127,1	142,9	-15,8	111,4
Cash and cash equivalents	10,6	14,4	-3,8	48,9
Other current and non-current assets	215,3	195,6	+19,7	183,6
Shareholders' equity	365,4	357,9	+7,5	418,4
Non-current interest-bearing liabilities	22,3	24,2	-1,9	19,4
Provisions	16,4	19,7	-3,3	14,8
Non-interest-bearing liabilities	229,7	198,7	+31,0	208,1
Current interest-bearing liabilities	34,3	71,9	-37,6	2,6
Balance sheet total	668,1	672,4	-4,3	663,3

25 April 2006

© Uponor 2006

Page 14

Comments to balance sheet

	MEUR	31 Mar. 2006	31 Mar. 2005	Change Y/Y	31 Dec. 2005
• ERP investment of 1.0 MEUR	Intangible assets	85,8	75,3	+10,5	85,1
• Positive development in net working capital assets ; inventories down Y/Y 11,1%, other current assets up 10,1% and provisions and non-interest-bearing liabilities up 12,7%	Tangible assets	212,0	220,7	-8,7	214,9
	Securities and long-term investments	17,3	23,5	-6,2	19,4
	Inventories	127,1	142,9	-15,8	111,4
	Cash and cash equivalents	10,6	14,4	-3,8	48,9
	Other current assets	215,3	195,6	+19,7	183,6
• Net interest-bearing liabilities of 46.0 MEUR	Shareholders' equity	365,4	357,9	+7,5	418,4
	Non-current interest-bearing liabilities	22,3	24,2	-1,9	19,4
	Provisions	16,4	19,7	-3,3	14,8
	Non-interest-bearing liabilities	229,7	198,7	+31,0	208,1
	Current interest-bearing liabilities	34,3	71,9	-37,6	2,6
	Balance sheet total	668,1	672,4	-4,3	663,3

25 April 2006

© Uponor 2006

Page 15

Cash flow

MEUR	1-3/ 2006	1-3/ 2005	Change Y/Y	1-12/ 2005
Net cash from operations	30,1	21,6	+8,5	153,5
Change in NWC	-21,5	-25,8	+4,3	22,8
Net payment of income tax and interest	-7,4	-8,3	+0,9	-17,7
Cash flow from operations	1,2	-12,5	+13,7	158,6
Cash flow from investments	-5,0	8,7	-13,7	-18,8
Cash flow before financing	-3,8	-3,8	+0,0	139,8
Dividends and buy backs	-65,8	-52,0	-13,8	-72,0
Other financing	31,3	40,7	-9,4	-48,4
Cash flow from financing	-34,5	-11,3	-23,2	-120,4
Change in cash and cash equivalents	-38,3	-15,1	-23,2	19,4

- Net cash from operations improved due to positive result improvement
- Net working capital spend typical for the season, yet better than prior year
- Paid dividends (65,8 M€) in March caused negative cash flow from financing

25 April 2006

© Uponor 2006

Page 16


















Outlook

Jan Lång
President and CEO

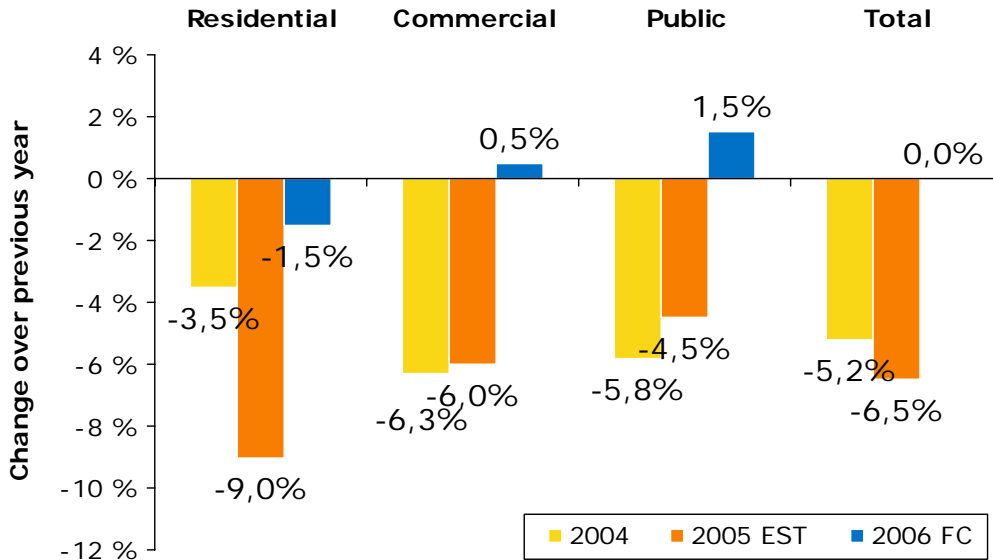
Market and business outlook remains stable

- No significant deviations from the previous guidance in business or economic environment in 2006
- The decline in Germany that had continued for several years discontinued during Q1
 - no major decline in demand expected in 2006
- No significant changes in sight in Nordic and Europe-WES
- The North American building, which has reached historically high levels, is expected to decrease slightly in 2006
 - to remain on the healthy level that prevailed earlier in the decade

Market and business outlook remains stable cont'd

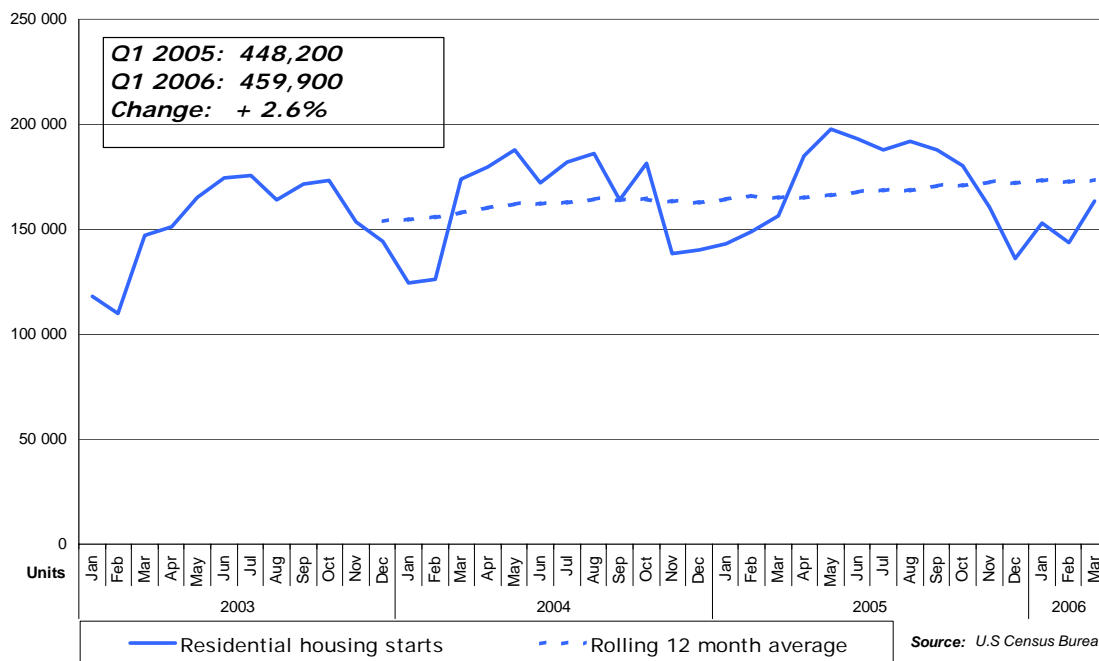
Resident. new building	Germany	Nordic	UK & Ireland	Iberia	Italy	USA	Canada
2005							
Outlook 2006							

German construction industry forecast by segment



Source: Statistisches Bundesamt, Hauptverband der Deutschen Bauindustrie e. V.

Monthly residential housing starts in North America



Source: U.S Census Bureau

Guidance updated

- Q1 reached the upper end of range of company expectations
- Due to the solid development, the guidance for 2006 is revised:
 - Net sales growth is expected to be similar to that in 2005, when organic growth was 7.0%
 - Operating profit is expected to exceed the operating profit of 2005 (MEUR 123)
 - Operating profit margin is expected to achieve the long-term target level ($\geq 12\%$)

Strategic focus going forward

- Focus areas are organic growth, development of the brand, and operational excellence
 - recent investments in the latter two, progressing as planned
- 2006 – new brand identity in all markets
 - Uponor-branded product offering, marketing efforts to continue
 - uniform offering management processes and harmonised product offering
- ERP project– deployment in Central Europe in summer 2006
- Revised strategy focuses on profitable growth
 - accelerated growth in single-family housing and infrastructure markets
 - increased market shares in the high-rise segment
 - product and service offering and go-to-market approach
 - first steps already taken

uponor

simply more