

A vertical blue bar on the left side of the slide. At the top, there is a graphic of a water droplet hitting a surface, creating ripples. Below the graphic, the text 'Bringing comfort to life' is written in a white, serif font. At the bottom of the bar, the Uponor logo is displayed in white.

Interim Q1 / 2005 results briefing

Helsinki, 27 April 2005

Market and business review

Jan Lång, President and CEO

Financial statements

Jyri Luomakoski, CFO and Deputy CEO

Outlook

Jan Lång

Questions

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Interim Q1 / 2005: Market and business review

Helsinki, 27 April 2005

Jan Lång, President and CEO

Interim Q1 / 2005: Markets

- Overall building market development balanced
- Good/satisfactory level continued in most of Europe
 - Germany weaker – no abrupt changes
 - No pull expected from public aid
 - Nordic, UK, Spain/Portugal continue satisfactory
- U.S. market still on very high level
 - Housing starts in USA drop in March after strong Jan and Feb
 - Canada on a lower level than in 2004
- Infrastructure and Environment systems market in Northern Europe continue satisfactory and stable
 - UK and Ireland not growing

Interim Jan.–March 2005: Progress as planned, but behind strong comparables

Net sales, MEUR	Q1/2005	Q1/2004	Reported change	Comparable change
Continuing operations	222.2	234.7	-5.3%	0.0%
Total	222.2	246.7	-9.9%	0.0
Discontinued operations		12.0		

- Central Europe comparable change - 4.0%
 Nordic 7.2%
 Europe – WES 0.0%
 North America 2.9%
- Net sales decline due to
 - Divestments of non-core and Real Estate
 - US backlog in Q1/2004
 - Sales decline in Germany after six quarters of growth
- Growth driven by
 - Nordic tap water penetration (“leak free systems campaign”)
 - North American Wirsbo branded business continues to grow strongly

Interim Jan.–March 2005: Profitability affected by divestments and increased material prices

Operating profit, MEUR	Q1/2005	Q1/2004	Reported change	Comparable change
Continuing operations	13.7	15.8	-13.3%	-16.5%
Total	13.7	17.6	-22.2%	-16.5%
Discontinued operations		1.8		

- Central Europe comparable change -15.3%
Nordic 31.8%
Europe – WES -40.0%
North America -35.4%
- Efficiency improvements did not fully compensate for increased costs of plastic and metal raw materials
 - Price increases will compensate for most of the higher material costs in 2005
- North America hurt by increased investment which was not yet productive
 - production capacity
 - growth support programmes
- Nordic – performance supported by increased sales
- Cash flow somewhat weaker than last year

Interim Q1 / 2005: positives and negatives

- + Efficiency improvements continue to show favourable development
- + Good growth of housing solutions business in Uponor - WES
- + Plastic resin price upward trend stabilised during Q1
- + Healthy growth in the Nordic, especially in tap water

- Slowdown and uncertainty of the German building and construction market affected our demand
- Price increases implemented during the quarter
 - planned price increases now all implemented
 - impact visible both in IE and in HS business
- Result development in North America

Restructuring 2004 programme update

- All actions announced and mostly completed
- Exit from the French IE successfully completed by 31 March
 - Effective 1 Jan 2005
- Swedish IE manufacturing concentration to Fristad completed
- North America:
 - letting go of two minor brands completed without major losses

Interim Q1 / 2005: Results

Helsinki, 27 April 2005

Jyri Luomakoski, CFO and deputy CEO

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Interim January – March 2005

Net sales by region

MEUR	1-3 2005	1-3 2004	1-12 2004	Reported change	Comparable change
Central Europe	78.3	86.0	334.0	-9.0 %	-4.0 %
Nordic	61.2	56.5	290.6	8.3 %	7.2 %
Europe - West, East, South	70.8	77.6	330.0	-8.8 %	0.0 %
North America	33.0	33.9	155.1	-2.7 %	2.9 %
Others (incl. RE)	4.0	15.2	60.2		
Eliminations	-25.1	-22.5	-97.5		
Total	222.2	246.7	1072.4	-9.9 %	0.0 %
Continuing operations	222.2	234.7	1026.9	-5.3 %	0.0 %
Discontinued operations	0.0	12.0	45.5		

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Interim January – March 2005

Income statement, continuing operations

MEUR	1-3		Change Y/Y	1-3		1-12	
	2005	%		2004	%	2004	%
Net sales	222.2		-5.3%	234.7		1,026.9	
Costs of goods sold	149.5	67.3	-4.8%	157.6	67.1	686.8	66.9
Gross profit	72.7	32.7	-5.7%	77.1	32.9	340.1	33.1
Other operating income	-0.4	-0.2	-33.3%	-0.3	-0.1	-1.7	-0.2
Expenses excl. depreciations	50.8	22.9	-1.9%	51.8	22.1	205.8	20.0
EBITDA	22.3	10.0	-12.9%	25.6	10.9	136.0	13.2
Operating profit (EBIT)	13.7	6.2	-12.3%	15.8	6.7	95.2	9.3
Financial expenses, net	0.2	0.1	-89.5%	1.9	0.8	5.9	0.6
Profit after financial items	13.5	6.1	-1.8%	13.9	5.9	89.3	8.7
Net profit from continuing operations	9.3	4.2	-7.9%	10.1	4.3	63.8	6.2
Net profit from discontinued operations	0.0	0.0		1.2	0.5	24.6	2.4
Profit for the period	9.3	4.2	-17.7%	11.3	4.8	88.4	8.6
EPS continuing operations	0.13		-0.01	0.14		0.86	
EPS discontinued operations	0.0		-0.01	0.01		0.33	
Total fully diluted earning per share	0.13		-0.02	0.15		1.19	

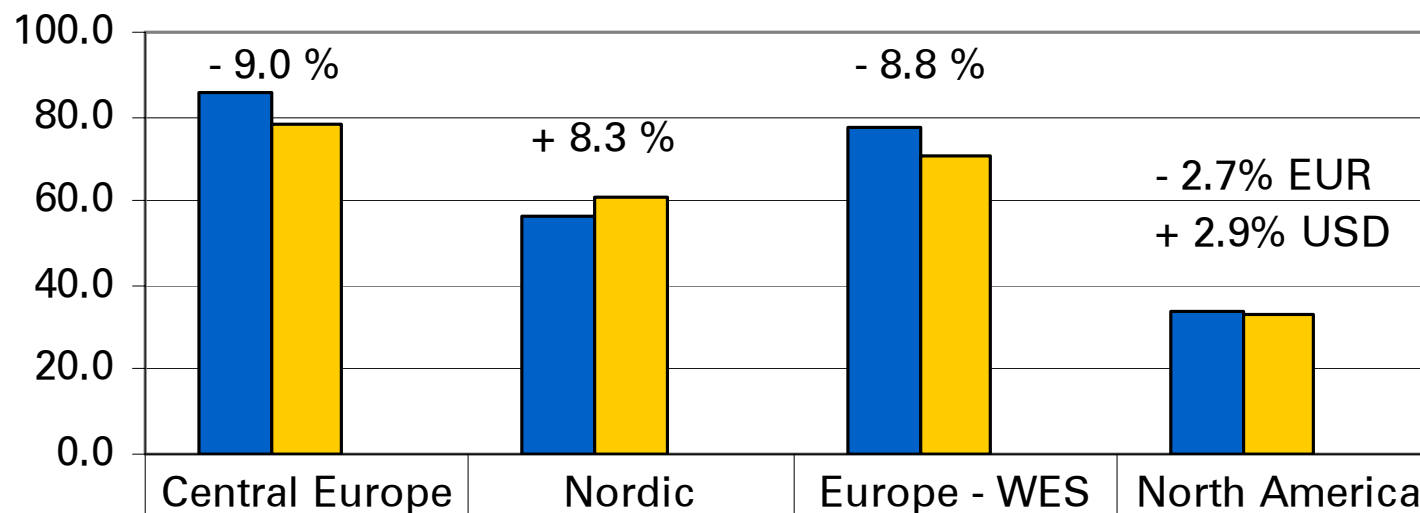
Interim January – March 2005

Income statement, total operations

MEUR	1-3		Change Y/Y	1-3		1-12	
	2005	%		2004	%	2004	%
Net sales	222.2		-9.9%	246.7		1,072.4	
Costs of goods sold	149.5	67.3	-10.4%	167.4	67.9	723.8	67.5
Gross profit	72.7	32.7	-8.3%	79.3	32.1	348.6	32.5
Other operating income	-0.4	-0.2	33.3%	-0.6	-0.2	-31.2	-2.9
Expenses excl. depreciations	50.8	22.9	-1.0%	51.3	20.8	204.2	19.0
EBITDA	22.3	10.0	-22.0%	28.6	11.6	175.6	16.4
Operating profit (EBIT)	13.7	6.2	-21.2%	17.6	7.1	130.6	12.2
Financial expenses, net	0.2	0.1	-90.0%	2.0	0.8	7.0	0.7
Profit after financial items	13.5	6.1	-12.4%	15.6	6.3	123.6	11.5
Profit for the period	9.3	4.2	-17.7%	11.3	4.6	88.4	8.2
Fully diluted earning per share	0.13		-0.02	0.15		1.19	

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Interim January – March 2005 Net sales by Region



■ 2004	86.0	56.5	77.6	33.9
■ 2005	78.3	61.2	70.8	33.0
Transl. effect	0.4	0.6	-0.5	-1.6

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Interim January – March 2005

Operating profit by region

MEUR	1-3 2005	1-3 2004	1-12 2004	Reported change	Comparable change
Central Europe	8.3	9.4	39.6	-11.7 %	-15.3 %
Nordic	2.9	2.1	32.0	38.1 %	31.8 %
Europe - West, East, South	2.4	3.4	16.4	-29.4 %	-40.0 %
North America	2.4	3.9	22.2	-38.5 %	-35.4 %
Others (incl. RE)	-0.6	-0.1	28.5		
Eliminations	-1.7	-1.1	-8.1		
Total	13.7	17.6	130.6	-22.2 %	-16.5 %
Continuing operations	13.7	15.8	95.2	-13.3 %	-16.5 %
Discontinued operations	0.0	1.8	35.4		

Note:

Comparable change incl. divestments 2004 (Finnish real estate business, MBO in Germany and Uponor Aldyl Company) and 1.1.2005 (IE France and Asko Norge AS) and exchange rate effect.

Operating Profit includes IFRS restructuring provisions in December 2004 and gain from divestment of Finnish real estate business.

Operating profit with December 2004 adjusted with restructuring costs

MEUR	1-3 2005	1-3 2004	1-12 2004	adjusted 1-12 2004
Central Europe	8.3	9.4	39.6	42.3
Nordic	2.9	2.1	32.0	33.2
Europe - West, East, South	2.4	3.4	16.4	19.9
North America	2.4	3.9	22.2	23.4
Others (incl. RE)	-0.6	-0.1	28.5	28.5
Eliminations	-1.7	-1.1	-8.1	-3.3
Total	13.7	17.6	130.6	144.0
Continuing operations	13.7	15.8	95.2	108.6
Discontinued operations	0.0	1.8	35.4	35.4

Interim January – March 2005

Balance sheet

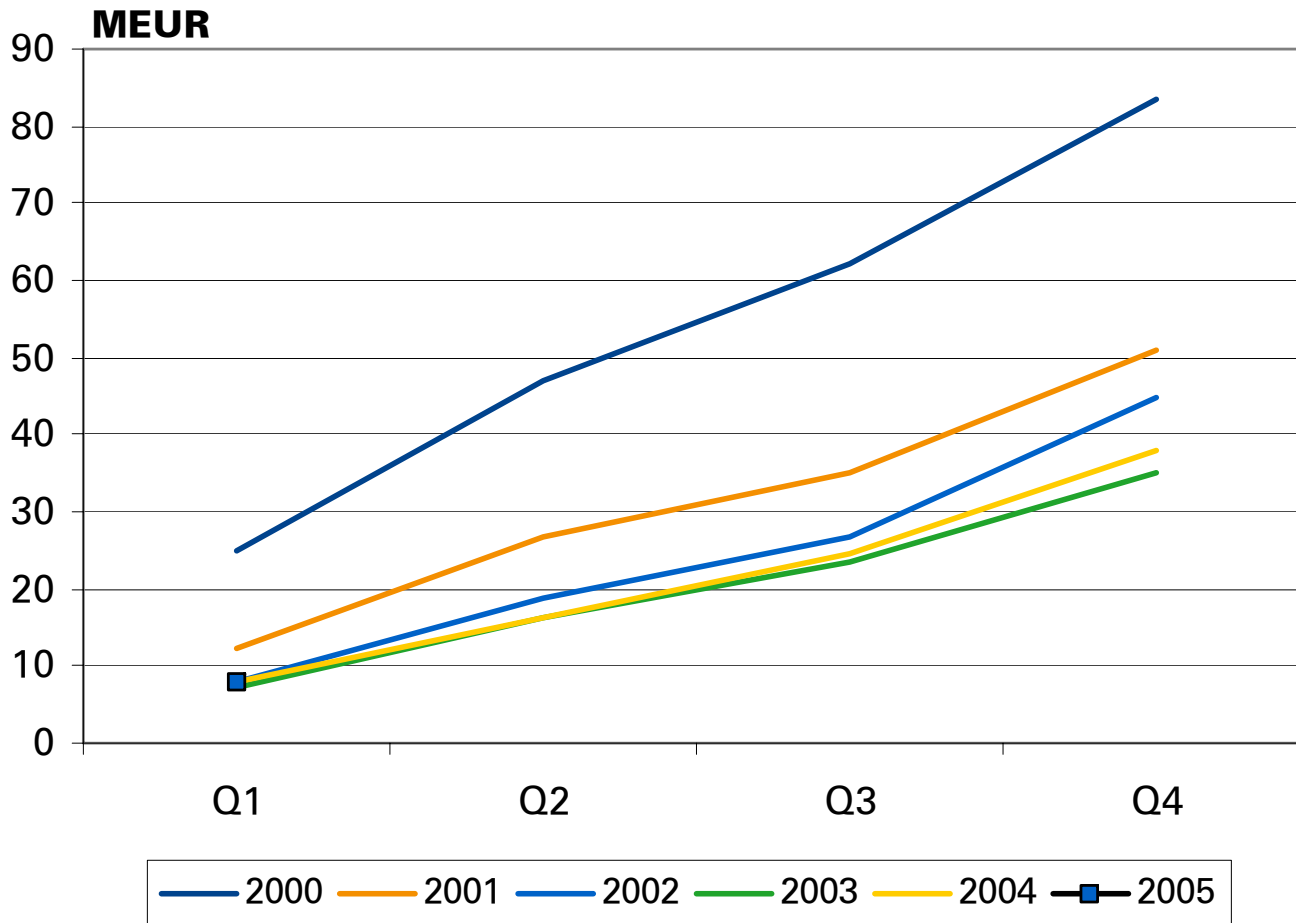
- Further decrease in investment property after divestment of Asko Norge AS 1.1.2005. In November 2004, all of the Finnish real estate business was divested.
- Inventories on the same level as March 2004.
- Non-interest bearing liabilities have decreased due to lower Accounts Payable from divested companies.
- Positive conversion difference impact on the equity by 3.6 MEUR from year-end 2004.
- Net interest-bearing liabilities increased by 52.6 MEUR from December 2004 to cover dividend pay-out in March 2005.

Interim January – March 2005

Balance sheet

MEUR	31 Mar. 2005	Change %	31 Mar. 2004	31 Dec. 2004
Intangible assets	75.3	0.8 %	74.7	74.9
Tangible assets	211.0	-0.5 %	212.1	208.0
Investment property	10.8	-89.5 %	102.6	26.7
Securities and long-term investments	23.5	58.8 %	14.8	21.0
Inventories	146.5	-0.3 %	146.9	136.5
Cash in hand and banks	14.4	9.9 %	13.1	29.5
Other current assets	200.3	-17.9 %	244.0	193.2
Shareholders' equity	357.9	-0.4 %	359.5	397.0
Minority interest	0.0	-100.0 %	0.9	0.0
Provisions	19.7	5.9 %	18.6	9.8
Long-term interest bearing liabilities	24.1	-66.3 %	71.6	22.3
Short-term interest bearing liabilities	76.5	-39.3 %	126.0	40.8
Non-interest bearing liabilities	203.6	-12.1 %	231.6	219.9
Balance sheet total	681.8	-15.6 %	808.2	689.8

Interim January – March 2005 Investment activity



January - March 2005	
Gross investments	7.9
Disposals at book	13.2
Depreciation	8.6

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Interim January – March 2005

Cash flow

	1-3 2005	1-3 2004	1-12 2004
Cash flow from operations	-9.0	-6.2	+114.1
Cash flow from investments	+5.3	-2.8	+76.4
Cash flow from financing	-11.4	+5.2	-177.9

- The biggest impact on cash flow before financing comes from the share divestments:
 - YTD December 2004 86.3 M€
 - YTD March 2005 12.1 M€
- Net working capital change on the same level as in Q1 2004

Interim January – March 2005

Abridged cash flow

	1-3 2005	1-3 2004	1-12 2004
Cash flow from operations			
Net profit for the period	+9.3	+11.3	+88.4
Sales gains	-0.4	-0.6	-31.2
Depreciation	+8.6	+11.0	+45.0
Change in net working capital	-26.5	-27.9	+7.8
Cash flow adjustment items			+4.1
	-9.0	-6.2	+114.1
Cash flow from investments			
Share acquisitions			
Share divestments	+12.1		+86.3
Investment in fixed assets	-7.9	-8.1	-37.8
Income from sales of fixed assets	+1.1	+5.3	+27.9
	+5.3	-2.8	+76.4
Cash flow from financing			
Dividends	-52.0	-74.1	-106.9
Net change of loans	+40.9	+79.6	-69.5
Subscription of shares			+4.6
Purchase of own shares			-4.9
Finance lease payments	-0.5	-0.5	-1.3
Other financial items	+0.2	+0.2	+0.1
	-11.4	+5.2	-177.9
Change in cash	-15.1	-3.8	+12.6

Interim January – March 2005 Financial indicators

	1-3 2005	1-3 2004	1-12 2004
Earnings per share (diluted), EUR	0.13	0.15	1.19
Return on equity, %	9.9	11.6	21.7
Return on investment, %	13.3	13.1	27.0
Solvency ratio, %	52.7	44.8	57.7
Gearing, %	24.1	51.2	8.5
Equity per share (diluted), EUR	4.82	4.84	5.34
Net interest-bearing debt	86.2	184.5	33.6

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Interim Q1 / 2005: Outlook

Helsinki, 27 April 2005

Jan Lång, President and CEO

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Market and business outlook

- Near-term prospects look stable, with some uncertainties
 - German construction market activity level is not expected to improve
 - Nordic demand is expected to continue its upward trend
 - demand in Europe – West, East, South is expected to remain at its current level
 - in North America, the first quarter has continued buoyant, but demand is expected to slacken from this exceptionally high level during the current year
- Plastic raw material price stabilisation evidenced in Q1

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Guidance unchanged

- No changes to previous guidance (2 Feb. 2005)
 - Terminology changes due to IFRS
- Business for 2005 as a whole is expected to develop according to guidance previously provided
- Organic growth in continuing operations is expected to be in line with long-term targets, and operating profit and margin to improve from 2004 levels. Similarly, full year cash flow from business operations is expected to remain strong.

Strategic focus areas in 2005

Uponor's strategic focus areas aim at improved profitability:

- Organic growth by increased efficiency in operations
 - Strong customer relations and development of product and service offering
 - Europe and North America
 - Core competencies in housing solutions are underfloor heating and tap water systems, in municipal infrastructure especially sewer systems
 - Product and service offering is focused around core competence
- More unified Group structure through integration
 - Transfer of know-how within the Group
 - Common supply chain (ERP programme, common processes)
- Strengthening of the Uponor brand continues with development of identity and supporting coherent communications

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