Q1 2015 roadshow presentation

Uponor Corporation

28 April 2015
Uponor in brief

Leading provider of plumbing and indoor climate solutions for residential and commercial building markets across Europe and North America. In northern Europe, Uponor is also a prominent supplier of infrastructure pipe systems

- Net sales 2014: €1,023.9 million
- Operations in 30 countries, 14 production sites
- Personnel ca 4,000

**Plumbing Solutions** (39%)
- Potable water and radiator connections for residential and non-residential building

**Indoor Climate Solutions** (27%)
- Hydronic heating and cooling for residential and non-residential building

**Infrastructure Solutions** (34%)
- Water, sewer and wastewater systems for utilities and non-urban areas
Uponor milestones

1620 
Johan de la Gardie establishes Wirsbo Bruks

1918 
Aukusti Askov-Avonius establishes a carpentry workshop in Lahti, Finland

1938 
Upo Oy starts to manufacture cast iron products and household appliances

1964 
Plastic division Upo-Muovi starts up in Nastola, Finland, and launches its first plastic pipes

1972 
In Sweden, Wirsbo was the world’s first company to start manufacturing PEX pipes

1982 
Asko and Neste jointly establish Oy Uponor Ab

1988 
Uponor enters plastic hot water pipe business, acquires Hewing and Wirsbo

1990 
Wirsbo opens a factory in Apple Valley, Minnesota, USA

1997 
Acquisition of Unicor in 1997-1999

2000 
Uponor merges with its parent company AskO Oyj on 1 January 2000

2006 - 2013 
Municipal business outside of the Nordic countries divested

2013 
Uponor Infra established through a merger with KWH Pipe on 1 July 2013

28 April 2015 ©Uponor
Uponor’s Indoor climate offering

Uponor’s solutions create the basis for a healthy and pleasant indoor climate.

Radiant heating and cooling

Thermally active building structures (TABS)

Ground energy

Controls

Outdoor surfaces

Local heat distribution

Ventilation

Seamless aluminium composite pipe
Uponor’s Plumbing offering

Uponor’s systems help transport water to its destination by efficient, sustainable and hygienic installation.
Uponor Infra offering
With more than 60 years of experience Uponor’s solutions help transport water, air, electricity, telecommunications and data.

Infrastructure solutions for handling water, sewer, gas, air, telecommunications and data

Tailor made constructions  Project service  Technologies
Global megatrends drive strategy and innovation

Growing and aging population

Urbanisation

Energy demand and climate change

Globalisation and developing markets

Health and comfort

Renovation, prefabrication and lifestyle

Green building, water quality and water management

Geographical expansion
Sustainability shapes the future of building

- One third of the world’s energy consumption is associated with heating, cooling, ventilation and lighting → the energy performance of buildings plays a major role

- Uponor radiant systems can reduce CO₂ emissions for any building type

- Uponor plumbing and wastewater systems and installation technologies meet stringent water quality requirements

- Plastic pipe solutions boast a good ‘cradle to grave’ life-cycle performance
Long-term financial targets
Since 12 Feb. 2013

- Help develop Uponor globally in a manner that secures faster than average industry growth and funding for future initiatives
- Based on earlier criteria, now reflecting the ‘new normal’ business landscape
- The emphasis is on growth, which is clearly influenced by the flat outlook of European building markets

Organic net sales growth to exceed annual GDP growth* by 3 ppts
* GDP growth based on a weighted average growth in the top 10 countries

EBIT margin to exceed 10%

ROI to exceed 20%

Dividend pay-out to be at least 50% of annual earnings (considering the gearing target)

Gearing to stay within 30 to 70 as an annual average of the quarters
Our Goals for 2019

- Secured and extended leading position in plumbing and indoor climate solutions in Europe
- Brand standard for PEX systems in the commercial and residential sectors in North America
- Leading infrastructure and extrusion technology supplier in selected markets
Segment-based approach

Uponor’s businesses are facing different situations, therefore the path forward needs to be tailored and driven by the segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uponor Infra</td>
<td>• Integrate&lt;br&gt; • Consolidate&lt;br&gt; • Improve profitability</td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>• Harmonise&lt;br&gt; • Innovate&lt;br&gt; • Improve profitability</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>• Penetrate commercial&lt;br&gt; • Grow with residential&lt;br&gt; • Keep up with the market share with innovation&lt;br&gt; • Improve profits</td>
</tr>
</tbody>
</table>
Full year 2014: Sustained positive progress despite diverse challenges

<table>
<thead>
<tr>
<th>Uponor Group</th>
<th>1-12/2014</th>
<th>1-12/2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>1,023.9</td>
<td>906.0</td>
<td>13.0%</td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>479.1</td>
<td>479.5</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>200.8</td>
<td>171.5</td>
<td>17.1%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>351.3</td>
<td>261.4</td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>Operating profit</strong> (without NRI)</td>
<td><strong>67.7</strong></td>
<td>55.2</td>
<td>22.6%</td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>38.7</td>
<td>32.7</td>
<td>18.3%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>31.5</td>
<td>24.7</td>
<td>27.4%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>0.1</td>
<td>2.7</td>
<td>n/m</td>
</tr>
</tbody>
</table>

- Building Solutions – Europe reported growth in profits despite flattish markets and the softer German market in particular
- Building Solutions – North America stayed steady on the growth path, thanks to advances in both the residential and commercial markets and the expanded geographical presence across the U.S.
- Uponor Infra, consolidated for the first full year, declined in like-for-like terms, mainly driven by a currency impact but also due to plummeting demand and sales in some key markets
Sustainable progress in CSR targets

- Sustainability and environmental management ambitions are key drivers for a ‘greener’ construction industry
- Uponor engages with various professional bodies, incl. partners, customers, suppliers, trade organisations
- Uponor’s targets for 2015 have been renewed and extend to 2020

<table>
<thead>
<tr>
<th>Environmental target 2020</th>
<th>Progress by 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce CO\textsubscript{2} emissions by 20%</td>
<td>Achieved a 15% reduction from 2009</td>
</tr>
<tr>
<td>100% green electricity</td>
<td>German production 100% certified green electricity</td>
</tr>
<tr>
<td>Continued improvement from the current 130g/km fleet</td>
<td>New fleet in 2014 at 124g/km, below EU targets</td>
</tr>
<tr>
<td>average target</td>
<td></td>
</tr>
<tr>
<td>Zero waste to landfill</td>
<td>Already reduced to below 5%</td>
</tr>
</tbody>
</table>
January – December 2014
Net sales development by key markets

- FX additionally supporting the strong growth in the USA
- Q4/2014
  Germany and Finland continue to decline

Note: Countries are sorted by FY2014 net sales

Growth
% in EUR
% in Curr.
25.7
24.8
-1.8
8.3
8.9
14.6
51.6
61.1
10.4
10.3
2.8
9.7
13.0
8.2
9.5
33.5
11.2

USA
143.1
145.3
146.5
128.9
135.1
1.148
119.9
141.3
141.8
93.8
79.96.9
94.1
36.6
55.1
19.0
48.1
81.5
33.4
48.6
39.3
30.9
35.9
32.4
29.7
31.5
22.6
24.7
30.7
206.2
185.4
183.1

Germany
Finland
Sweden
Canada
Denmark
Norway
UK
Netherlands
Russia
Others

28 April 2015 ©Uponor 15
# January – December 2014 Balance sheet

<table>
<thead>
<tr>
<th>M€</th>
<th>31 Dec 2014</th>
<th>31 Dec 2013</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>207.8</td>
<td>201.8</td>
<td>+6.0</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>98.4</td>
<td>102.8</td>
<td>-4.4</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>11.2</td>
<td>10.8</td>
<td>+0.4</td>
</tr>
<tr>
<td>Inventories</td>
<td>117.4</td>
<td>115.4</td>
<td>+2.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>60.2</td>
<td>53.7</td>
<td>+6.5</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>186.8</td>
<td>176.5</td>
<td>+10.3</td>
</tr>
<tr>
<td>Total equity</td>
<td>297.9</td>
<td>287.7</td>
<td>+10.2</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>126.3</td>
<td>136.4</td>
<td>-10.1</td>
</tr>
<tr>
<td>Provisions</td>
<td>16.2</td>
<td>22.1</td>
<td>-5.9</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>225.5</td>
<td>200.6</td>
<td>+24.9</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>15.9</td>
<td>14.2</td>
<td>+1.7</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>681.8</td>
<td>661.0</td>
<td>+20.8</td>
</tr>
</tbody>
</table>

- Net interest bearing liabilities at €82.0m, down by 15.4% from LY
- Non-controlling interest represents €66.8m of the total equity at €297.9m
Major shareholders
31 Dec 2014

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Co 5.3%
- Nordea Nordic Small Cap Fund 4.3%
- Ilmarinen Mutual Pension Insurance Co 2.2%
- Nordea Fennia Fund 1.2%
- Sigrid Juselius Foundation 1.1%
- State Pension Fund 1.0%
- Nominee registrations 27.2%
- Others 35.1%

Currently valid foreign notifications
12 March 2013: the holdings of Franklin Resources, Inc. reached 10.0%
2 Jan 2014: the Capital Group Companies Inc.’s ownership fell below 5.0%

- 15,846 shareholders at the end of Dec 2014
- Foreign shareholding was 28.3%, down from 33.9% in Dec 2013
Financial statements
Q1 2015
Q1/2015: Flat sales, strong performance in the traditionally slow first quarter

<table>
<thead>
<tr>
<th>January – March</th>
<th>1-3/2015</th>
<th>1-3/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>237.1</td>
<td>230.9</td>
<td>2.7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11.3</td>
<td>4.8</td>
<td>132.9%</td>
</tr>
<tr>
<td>- Operating profit w/o non-recurring items</td>
<td>11.3</td>
<td>8.6</td>
<td>31.1%</td>
</tr>
</tbody>
</table>

**Net sales**
- Overall net sales trend in Europe flat or declining
- Firm growth in Building Solutions - North America despite another severe winter
- Considerable impact from the weaker euro on reported numbers

**Operating profit**
- Uponor Infra and Building Solutions – North America drive growth, Building Solutions – Europe declines in like-for-like comparison
- Second consecutive quarter of improvement in Uponor Infra, initiatives related to streamlining and strategic review implemented
- Volatile input cost environment
Developments by segment: Building Solutions – Europe

- Net sales decline mainly coming from Germany, Russia, some Nordic markets
- Few brighter spots, such as the Netherlands, Denmark and Iberia
- New distribution centre completed and taken in commercial use in time; some deliveries postponed to Q2/2015 due to transition
- International ISH2015 exhibition utilised to promote new offering:
  - seamless composite pipe, new control system, renovation solutions
Developments by segment: Building Solutions – North America

- Net sales growth continued
  - continued buoyancy in the U.S. residential housing market
  - success in customer conversion both amongst residential and commercial contractors
- Steady profit development supported by efficiency improvements and cost management, and despite adverse CAD/USD translation
- New manufacturing expansion launched, targeting completion in December 2015
Developments by segment: Uponor Infra

- Strategic review completed in order to maximise synergic strength
  - Two non-core units were divested
  - Management now able to focus on core business development
- Small decline in net sales, mainly due to the divestments
  - Lively activity in North America was not enough to compensate for the European headwinds

- Second consecutive quarter with improving operating profit
  - Streamlining benefits coming in
  - Volatile resin price environment
## Interim January – March 2015: Key figures

<table>
<thead>
<tr>
<th></th>
<th>1-3</th>
<th>1-3</th>
<th>Change</th>
<th>1-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td>Y/Y</td>
<td>2014</td>
</tr>
<tr>
<td>Net sales, continuing operations</td>
<td>237.1</td>
<td>230.9</td>
<td>+2.7%</td>
<td>1,023.9</td>
</tr>
<tr>
<td>Operating profit, continuing operations</td>
<td>11.3</td>
<td>4.8</td>
<td>+132.9%</td>
<td>63.4</td>
</tr>
<tr>
<td>Operating profit margin, continuing operations</td>
<td>4.8%</td>
<td>2.1%</td>
<td>2.7% pts</td>
<td>6.2%</td>
</tr>
<tr>
<td>Earnings per share (diluted), €</td>
<td>0.06</td>
<td>0.04</td>
<td>+50.0%</td>
<td>0.50</td>
</tr>
<tr>
<td>Return on equity, % (p.a.)</td>
<td>5.5%</td>
<td>2.6%</td>
<td>2.9% pts</td>
<td>12.3%</td>
</tr>
<tr>
<td>Return on investment, % (p.a.)</td>
<td>7.2%</td>
<td>3.5%</td>
<td>3.7% pts</td>
<td>14.2%</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>130.9</td>
<td>147.8</td>
<td>-11.4%</td>
<td>82.0</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>46.7%</td>
<td>56.9%</td>
<td>-10.2% pts</td>
<td>27.6%</td>
</tr>
<tr>
<td>Net working capital of Net sales, % (p.a.)</td>
<td>11.0%</td>
<td>11.7%</td>
<td>-0.7% pts</td>
<td>7.1%</td>
</tr>
<tr>
<td>Average number of employees, continuing operations</td>
<td>3,909</td>
<td>4,161</td>
<td>-6.1%</td>
<td>4,127</td>
</tr>
<tr>
<td>Number of employees, end of period, continuing operations</td>
<td>3,785</td>
<td>4,166</td>
<td>-9.1%</td>
<td>3,982</td>
</tr>
</tbody>
</table>
Interim January – March 2015: Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>1-3 2015</th>
<th>1-3 2014</th>
<th>Change Y/Y</th>
<th>1-12 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>237.1</td>
<td>230.9</td>
<td>+2.7%</td>
<td>1,023.9</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>151.9</td>
<td>152.8</td>
<td>-0.6%</td>
<td>683.8</td>
</tr>
<tr>
<td>Gross profit</td>
<td>85.2</td>
<td>78.1</td>
<td>+9.1%</td>
<td>340.1</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>35.9%</td>
<td>33.8%</td>
<td>+2.1% pts</td>
<td>33.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.7</td>
<td>0.2</td>
<td>+214.2%</td>
<td>2.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>74.6</td>
<td>73.5</td>
<td>+1.5%</td>
<td>279.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11.3</td>
<td>4.8</td>
<td>+132.9%</td>
<td>63.4</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>4.8%</td>
<td>2.1%</td>
<td>+2.7% pts</td>
<td>6.2%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>5.1</td>
<td>2.1</td>
<td>+126.1%</td>
<td>7.4</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>0.0</td>
<td></td>
<td>0.3</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>6.3</td>
<td>2.7</td>
<td>+137.4%</td>
<td>56.3</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>4.0</td>
<td>1.8</td>
<td>+121.1%</td>
<td>36.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>20.6</td>
<td>13.9</td>
<td>-50.2%</td>
<td>99.9</td>
</tr>
</tbody>
</table>

- **Net sales growth**, adjusted for the divestment of the Thai infrastructure business and FX impact, was flat at -0.7%
- **Gross profit margin** supported by input cost environment in the first two months of the quarter
- Increase in **expenses** due to Building Solutions - North America, driven by dollar-to-euro translation. Comparison figures burdened by €3.0m in NRI
- On a like-for-like basis, excluding any NRI, **operating profit** was €11.3 (8.6) million, up 31.1%. In 2014, a non-recurring item of €3.8 million was reported in the first quarter
- **Financial expenses, net** increased due to FX
Interim January – March 2015: Net sales & operating profit by segment

- Building Solutions – Europe: operating profit margin (w/o non-recurring items) down from 7.8% to 5.4% driven by plummeting net sales in key markets

- Building Solutions - North America profit margin up from 11.0% to 14.1 %, supported by sales growth, efficiency improvement measures and tight cost management

- Uponor Infra profit improved clearly as a result of the restructuring measures, supported by input costs, but remained negative on account of low volumes
Interim January – March 2015: Net sales development in key markets

With the exception of two brighter spots, Europe declines against strong comparables in 2014

Spain replaces Russia whose construction market started to decline in Q1/2015

Note: Countries are sorted by YTD 2015 net sales
**Interim January – March 2015: Balance sheet**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>209.3</td>
<td>197.4</td>
<td>+11.9</td>
<td>207.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>97.5</td>
<td>101.5</td>
<td>-4.0</td>
<td>98.4</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>10.6</td>
<td>10.8</td>
<td>-0.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>135.2</td>
<td>130.6</td>
<td>+4.6</td>
<td>117.4</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>16.1</td>
<td>30.2</td>
<td>-14.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>223.8</td>
<td>220.0</td>
<td>+3.8</td>
<td>186.8</td>
</tr>
<tr>
<td>Total equity</td>
<td>280.4</td>
<td>260.0</td>
<td>+20.4</td>
<td>297.9</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>126.2</td>
<td>136.4</td>
<td>-10.2</td>
<td>126.3</td>
</tr>
<tr>
<td>Provisions</td>
<td>16.5</td>
<td>23.7</td>
<td>-7.2</td>
<td>16.2</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>248.6</td>
<td>228.7</td>
<td>+19.9</td>
<td>225.5</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>20.8</td>
<td>41.7</td>
<td>-20.9</td>
<td>15.9</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>692.5</td>
<td>690.5</td>
<td>+2.0</td>
<td>681.8</td>
</tr>
</tbody>
</table>

- Net interest-bearing liabilities at €130.9m, down by 11.4% from LY
- Non-controlling interest at Uponor Infra represents €63.9m of the total equity at €280.4m
Interim January – March 2015: Cash flow

<table>
<thead>
<tr>
<th>M€</th>
<th>1-3</th>
<th>1-3</th>
<th>Change</th>
<th>1-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td>Y/Y 2014</td>
<td>2014</td>
</tr>
<tr>
<td>Net cash from operations</td>
<td>+16.0</td>
<td>+13.5</td>
<td>+2.5</td>
<td>+99.0</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-32.4</td>
<td>-28.6</td>
<td>-3.8</td>
<td>-3.5</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-6.0</td>
<td>-3.3</td>
<td>-2.7</td>
<td>-19.8</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>-22.4</strong></td>
<td><strong>-18.4</strong></td>
<td><strong>-4.0</strong></td>
<td><strong>+75.7</strong></td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-2.1</td>
<td>-4.1</td>
<td>+2.0</td>
<td>-30.6</td>
</tr>
<tr>
<td><strong>Cash flow before financing</strong></td>
<td><strong>-24.5</strong></td>
<td><strong>-22.5</strong></td>
<td><strong>-2.0</strong></td>
<td><strong>+45.1</strong></td>
</tr>
<tr>
<td>Dividends and buy backs</td>
<td>-30.7</td>
<td>-27.8</td>
<td>-2.9</td>
<td>-27.8</td>
</tr>
<tr>
<td>Other financing</td>
<td>+10.3</td>
<td>+27.3</td>
<td>-17.0</td>
<td>-9.9</td>
</tr>
<tr>
<td><strong>Cash flow from financing</strong></td>
<td><strong>-20.4</strong></td>
<td><strong>-0.5</strong></td>
<td><strong>-19.9</strong></td>
<td><strong>-37.7</strong></td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-44.1</td>
<td>-23.5</td>
<td>-20.6</td>
<td>+6.5</td>
</tr>
</tbody>
</table>

- Gross CAPEX at €8.1m, up €3.7m from Q1/2014, but below depreciation at €9.3m
- Cash flow from investment includes €+5.9m cash flow effect from the divestments of the Thai infrastructure business and Extron Engineering Oy in Finland
Outlook for the future
## Leading indicators in major markets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>% change YTD</th>
<th>Data through</th>
<th>Trend since Q4 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>-17%</td>
<td>February 2015</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>-9%</td>
<td>January 2015</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>-21%</td>
<td>October 2014</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>+27%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>+20%</td>
<td>March 2015</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>+13%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>+10%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>+50%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>+2%</td>
<td>December 2014</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>+16%</td>
<td>February 2015</td>
<td></td>
</tr>
</tbody>
</table>

1) Seasonally adjusted, annualised rate vs. same month in 2014; 2) England only
Sentiment in some key markets weakened during Q1/2015

Change in builder confidence
(Jan-Mar 2015 average vs. Oct-Dec 2014 average, seasonally adjusted)

Source: Eurostat
Germany: The economy has gained strength but construction has stalled

German housing permits and confidence

Source: Destatis and Eurostat
USA: Confidence and starts were hurt by frigid temperatures

Housing Market Index (HMI) and housing starts

Source: US Census, NAHB/Wells Fargo
Management agenda for the near term

• Secure timely delivery of products to customers in Europe (resin availability) as well as North America (meeting the demand)

• After successful integration and streamlining of Uponor Infra, focus on customers and on winning market share in selected core businesses

• Maximise growth opportunities and secure a platform for profitable growth in Building Solutions – Europe
  — Follow through that key product launches turn into sales
  — Carefully execute the savings plan related to the new distribution centre
Guiding forward

- Macro-economic trends and the geopolitical situation remain materially as before
- Acute raw material supply/demand issue may be disturbing the plastic products industry in the shorter term, especially affecting infrastructure solutions

- The guidance issued on 12 February 2015 remains intact:
  The Group’s net sales and operating profit (excluding any non-recurring items) are expected to improve from 2014
Market indicators
Construction sentiment in Europe

- Confidence reached a multi-year high in December, but has plateaued during the first months of the year
- Confidence rose in Q1 in Finland, Italy and the Netherlands, but fell in Sweden and France

![European construction confidence indicator](chart.png)

Source: Eurostat
Building permits in Europe

- Data through October shows that building permits in both the residential and non-residential segments remained at, or near, their lowest levels on record.
- Improvements in some national markets have been more than offset by falls in others.

**European building permits index**
(Euro Area 19, seasonally adjusted)

Source: Eurostat (Base year = 2010)
Germany

Housing permits in Germany

January 2015: 16,612
Change vs. 2014: -9%
Housing starts in USA
(Seasonally adjusted, annual rate)

February 2015: 897,000
Change from 2014: -17%
Finland

Housing starts in Finland

Jan-Oct 2014: 19082
Change vs. 2013: -21%

Source: Statistics Finland
Sweden

Housing starts in Sweden

FY 2014: 38,500
Change vs. 2013: +27%

Source: Statistics Sweden
Canada

Housing starts in Canada
(Seasonally adjusted, annual rate)

March 2015: 189,708
Change vs. 2014: +20%

Source: CMHC/Statistics Canada
Denmark

Housing starts in Denmark
(Seasonally adjusted)

Jan-Dec 2014: 11,143
Change vs. 2013: +13%

Source: Statistics Denmark