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Performance in 2007

Annual results briefing
7 Feb. 2008, Helsinki

Declining residential markets in Europe and North America in 2007

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Europe:

- H1 very lively
- decline in building activity in H2
 - Germany, Spain, UK...
- non-residential and infrastructure segments sustained a more healthy demand

North America:

- market environment subdued since 2006
- further deterioration in H2 due to problems in the housing & financial sectors



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FY2007 net sales in line with targets thanks to strong H1



Net sales MEUR	1-12/2007	1-12/2006	Change, %
Uponor	1,219.3	1,157.0	Reported +5.4 Organic +6.2
Central Europe	351.3	345.1	+1.8
Nordic	397.7	377.8	+5.2
Europe – West, East, South	445.4	387.9	Reported +14.8 Organic +17.4
North America	169.2	183.0	-7.5
(North America, USD)	233.1	230.9	+1.0)

- Europe – WES strengthened its positions and entered new markets
- Eastern Europe and much of Nordic sustained healthy activity levels
- Central Europe supported by the strong start to the year
- Infrastructure demand on a healthy level

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Q4/2007 net sales impacted by drop in housing solutions demand



Net sales MEUR	10-12/2007	10-12/2006	Change, %
Uponor	276.0	285.9	-3.5
Central Europe	75.7	88.7	-14.7
Nordic	88.1	98.0	-10.1
Europe – West, East, South	101.9	93.9	+8.6
North America	38.7	38.8	-0.2
(North America, USD)	56.8	50.8	+11.8)

- Q3 decline in housing solutions business continued in Q4
- Central Europe suffered from low residential single-family demand
- Investment in marketing maintained strong sales vs. market demand in North America

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Full-year profitability developed favourably despite market turbulence



Operating profit MEUR	1-12/2007	1-12/2006	Change, %
Uponor	151.0	143.7	+5.1
Central Europe	41.1	49.3	-16.7
Nordic	49.7	56.6	-12.1
Europe – West, East, South	57.5	38.2	+50.3
North America	16.6	14.5	+14.7
(North America, USD)	22.9	18.3	+25.1)

- Strong Europe – WES profitability development driven by HS and also IE business
- Impact of improvement initiatives in North America
- Non-recurring product liability issues and additional post-go-live ERP-related resource costs

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Profitability development impacted by decline in European markets in Q4



Operating profit MEUR	10-12/2007	10-12/2006	Change, %
Uponor	27.3	29.9	-8.4
Central Europe	7.1	10.6	-33.2
Nordic	7.7	12.9	-39.8
Europe – West, East, South	10.7	9.8	+8.7
North America	4.0	3.4	+19.7
(North America, USD)	5.9	4.4	+34.0)

- Gross profit lost as a consequence of lower volumes
- Increased warehousing and dispatching costs as well as shipment issues related to Nordic ERP launch
- High concentration of R&D costs in Q4
- Intensified customer programmes supported by efficiency initiatives gave a positive response in North America

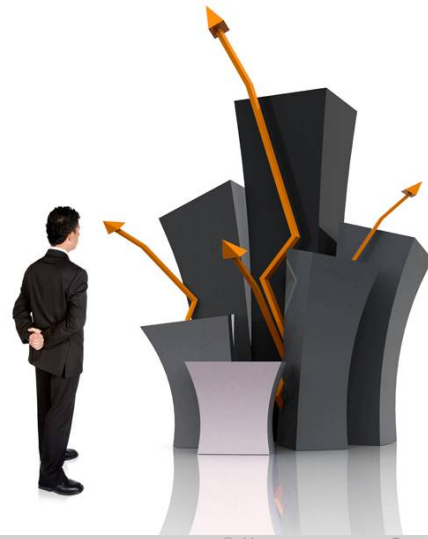
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- Growth initiatives proceed as planned
 - Share of high-rise grew to ca 20% of net sales
 - successful projects & installations in all geographies
 - Geographical expansion in East Europe proceeded
 - Romania, Ukraine
 - Additional offices in Russian cities
- European ERP
 - All European housing solutions supply units implemented by beginning of 2008



- + Growth throughout Europe–WES as a result of focussed actions and marketing investments
- + Profitability improvement in North America from streamlining, redirection and management strengthening
- + Healthy demand for infrastructure products in UK/Ireland and the Nordic region
- Continued weak or deteriorating demand in many key housing solutions markets
- Inefficiencies in supply chain due to fluctuating demand
- Challenging Nordic ERP launch in Q4 leading to some loss of sales

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Financial statements Q4 and FY/2007

Annual results briefing
7 Feb. 2008, Helsinki

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Q4/2007: Income statement

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MEUR	10-12 2007	10-12 2006	Change Y/Y
Net sales	276.0	285.9	-3.5%
Cost of goods sold	178.2	186.3	-4.4%
Gross profit	97.8	99.6	-1.7%
- % of net sales	35.5 %	34.8 %	+0.6%
Other operating income	1.2	1.6	-27.6%
Expenses	71.7	71.3	+0.5%
Operating profit	27.3	29.9	-8.4%
- % of net sales	9.9 %	10.5 %	-0.6%
Financial expenses, net	-1.8	0.9	-305.5%
Profit before taxes	29.1	29.0	+0.7%
Profit for the period	21.3	19.4	+9.8%
EBITDA	36.6	39.3	-6.6%

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Q4/2007: Net sales by region

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MEUR	10-12 2007	10-12 2006	Change Y/Y
Central Europe	75.7	88.7	-14.7 %
Nordic	88.1	98.0	-10.1 %
Europe - West, East, South	101.9	93.9	8.6 %
North America	38.7	38.8	-0.2 %
Eliminations	-28.4	-33.5	
Uponor Group	276.0	285.9	-3.5 %

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Q4/2007: Operating profit by region

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MEUR	10-12 2007	10-12 2006	Change Y/Y
Central Europe	7.1	10.6	-33.2 %
Nordic	7.7	12.9	-39.8 %
Europe - West, East, South	10.7	9.8	8.7 %
North America	4.0	3.4	19.7 %
Others	-3.5	-4.9	-30.5 %
Eliminations	1.3	-1.9	
Uponor Group	27.3	29.9	-8.4 %

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Q4/2007: Cash flow

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MEUR	10-12/ 2007	10-12/ 2006	Change Y/Y
Net cash from operations	37.6	40.0	-2.4
Change in NWC	29.2	38.9	-9.7
Net payment of income tax and interest	-11.9	-13.1	+1.2
Cash flow from operations	54.9	65.8	-10.9
Cash flow from investments	-25.3	-13.3	-12.0
Cash flow before financing	29.6	52.5	-22.9
Dividends and buy backs	0.0	-100.2	+100.2
Other financing	-30.7	14.5	-45.2
Cash flow from financing	-30.7	-85.7	+55.0
Change in cash and cash equivalents	-1.1	-33.2	+32.1

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FY 2007: Key figures

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MEUR	1-12 2007	1-12 2006	Change Y/Y
Net sales	1,219.3	1,157.0	+5.4%
Operating profit	151.0	143.7	+5.1%
Operating profit margin	12.4%	12.4%	-0.0%
Earning per share (diluted), EUR	1.39	1.32	+5.3%
Return on equity, % (p.a.)	30.1%	25.3%	+4.8%
Return on investment, % (p.a.)	39.2%	35.8%	+3.4%
Net interest bearing liabilities	84.5	21.7	+289.4%
Gearing, %	25.4%	6.3%	+19.1%
Average number of employees	4,497	4,260	+5.6%

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FY 2007: Income statement

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MEUR	1-12 2007	1-12 2006	Change Y/Y
Net sales	1,219.3	1,157.0	+5.4%
Cost of goods sold	781.5	743.8	+5.1%
Gross profit	437.8	413.2	+6.0%
- % of net sales	35.9 %	35.7 %	+0.2%
Other operating income	6.2	3.7	+67.8%
Expenses	293.0	273.2	+7.3%
Operating profit	151.0	143.7	+5.1%
- % of net sales	12.4 %	12.4 %	-0.0%
Financial expenses, net	2.5	2.2	+12.2%
Profit before taxes	148.5	141.5	+5.0%
Profit for the period	101.9	96.5	+5.6%
EBITDA	188.2	179.3	+4.9%

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FY 2007: Income statement

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	MEUR	1-12 2007	1-12 2006	Change Y/Y
• Sustained gross profit margin in a volatile market environment	Net sales	1,219.3	1,157.0	+5.4%
	Cost of goods sold	781.5	743.8	+5.1%
	Gross profit	437.8	413.2	+6.0%
	- % of net sales	35.9 %	35.7 %	+0.2%
• Sales gain from a real estate disposal in Portugal 3.4 MEUR	Other operating income	6.2	3.7	+67.8%
	Expenses	293.0	273.2	+7.3%
	Operating profit	151.0	143.7	+5.1%
	- % of net sales	12.4 %	12.4 %	-0.0%
• 19.8 MEUR higher expenses mainly driven by increased spend into sales and marketing	Financial expenses, net	2.5	2.2	+12.2%
	Profit before taxes	148.5	141.5	+5.0%
	Profit for the period	101.9	96.5	+5.6%
• Tax rate 31.4 %	EBITDA	188.2	179.3	+4.9%

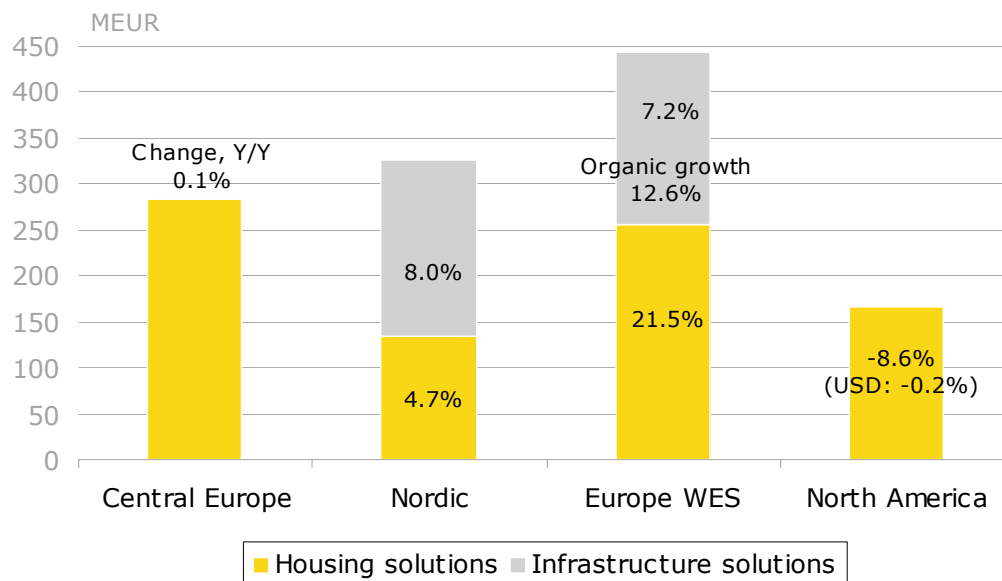
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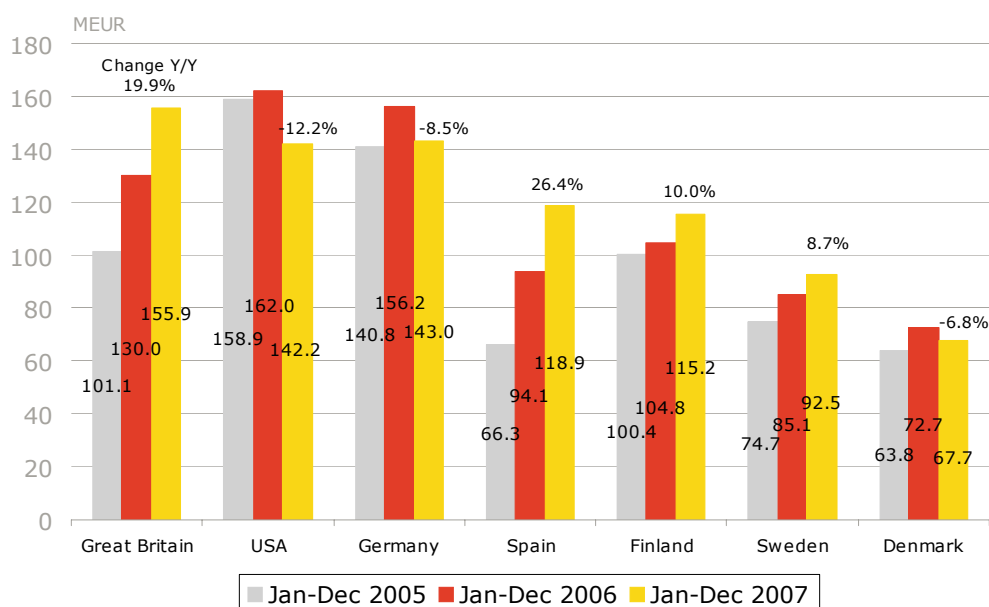
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FY 2007: Business segment external revenue



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FY 2007: Net sales development by key national markets (> 5% of Uponor net sales)



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Germany excluding Uponor Anger GmbH (divested in 2006)

FY 2007: Balance sheet

MEUR	31 Dec 2007	31 Dec 2006	Change Y/Y
Property, plant and equipment	218.9	211.8	+7.1
Intangible assets	101.7	97.6	+4.1
Securities and long-term investments	3.6	3.6	+0.0
Inventories	150.6	128.1	+22.5
Cash and cash equivalents	6.3	12.4	-6.1
Other current and non-current assets	183.2	190.4	-7.2
Shareholders' equity	333.0	344.4	-11.4
Non-current interest-bearing liabilities	14.7	17.2	-2.5
Provisions	16.2	15.5	+0.7
Non-interest-bearing liabilities	224.3	249.9	-25.6
Current interest-bearing liabilities	76.1	16.9	+59.2
Balance sheet total	664.3	643.9	+20.4

FY 2007: Comments to balance sheet

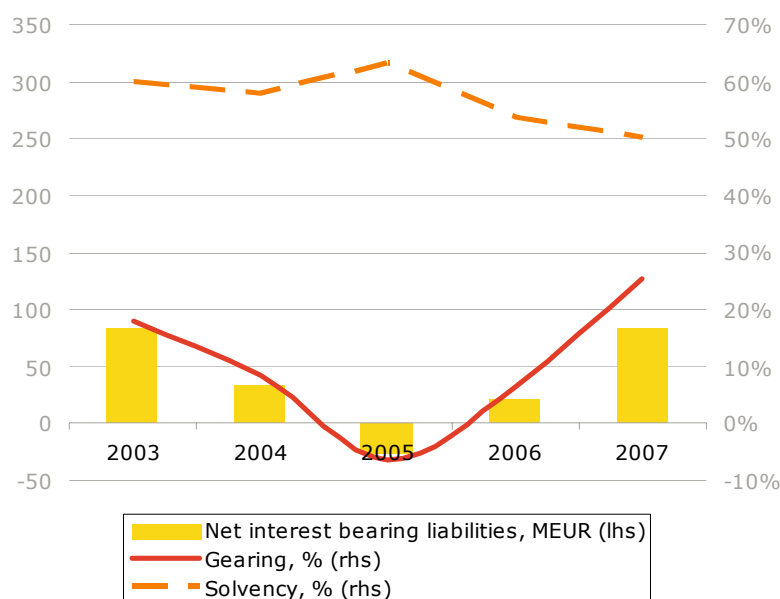
	MEUR	31 Dec 2007	31 Dec 2006	Change Y/Y
<ul style="list-style-type: none"> ERP investment 7.4 MEUR, depreciation 2.8 MEUR 	Property, plant and equipment	218.9	211.8	+7.1
	Intangible assets	101.7	97.6	+4.1
	Securities and long-term investments	3.6	3.6	+0.0
	Inventories	150.6	128.1	+22.5
<ul style="list-style-type: none"> Due to decline in demand in Q3/Q4 inventory turnover down 	Cash and cash equivalents	6.3	12.4	-6.1
	Other current and non-current assets	183.2	190.4	-7.2
	Shareholders' equity	333.0	344.4	-11.4
	Non-current interest-bearing liabilities	14.7	17.2	-2.5
	Provisions	16.2	15.5	+0.7
	Non-interest-bearing liabilities	224.3	249.9	-25.6
<ul style="list-style-type: none"> Accounts payable decreased by 14.8 MEUR due to lower activity level 	Current interest-bearing liabilities	76.1	16.9	+59.2
	Balance sheet total	664.3	643.9	+20.4
<ul style="list-style-type: none"> Net interest-bearing liabilities 84.5 MEUR 				

FY 2007: Cash flow

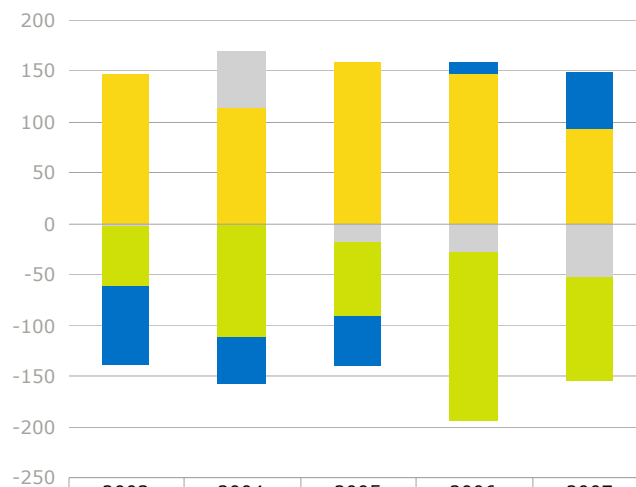
MEUR	1-12/ 2007	1-12/ 2006	Change Y/Y
Net cash from operations	186.0	180.7	+5.3
Change in NWC	-45.1	5.2	-50.3
Net payment of income tax and interest	-47.1	-38.6	-8.5
Cash flow from operations	93.8	147.3	-53.5
Cash flow from investments	-52.7	-28.8	-23.9
Cash flow before financing	41.1	118.5	-77.4
Dividends and buy backs	-102.5	-166.0	+63.5
Other financing	55.3	11.0	+44.3
Cash flow from financing	-47.2	-155.0	+107.8
Change in cash and cash equivalents	-6.1	-36.5	+30.4

- Decrease in cash flow from operations due to capital spend in net working capital
 - Decline in inventory turnover
 - Decrease in accounts payable due to lower activity level at the end of the year

FY 2007: Capital structure development



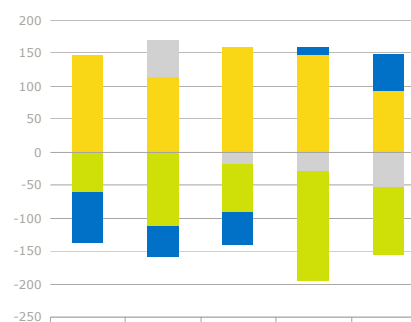
FY 2007: 5-year cash flow



	2003	2004	2005	2006	2007
Financing	-76.6	-46.8	-48.4	11.0	55.3
Dividends & buy backs	-60.1	-111.8	-72.0	-166.0	-102.5
From investments	-1.2	56.1	-18.8	-28.8	-52.7
Cash flow from operations	148.0	115.1	158.6	147.3	93.8

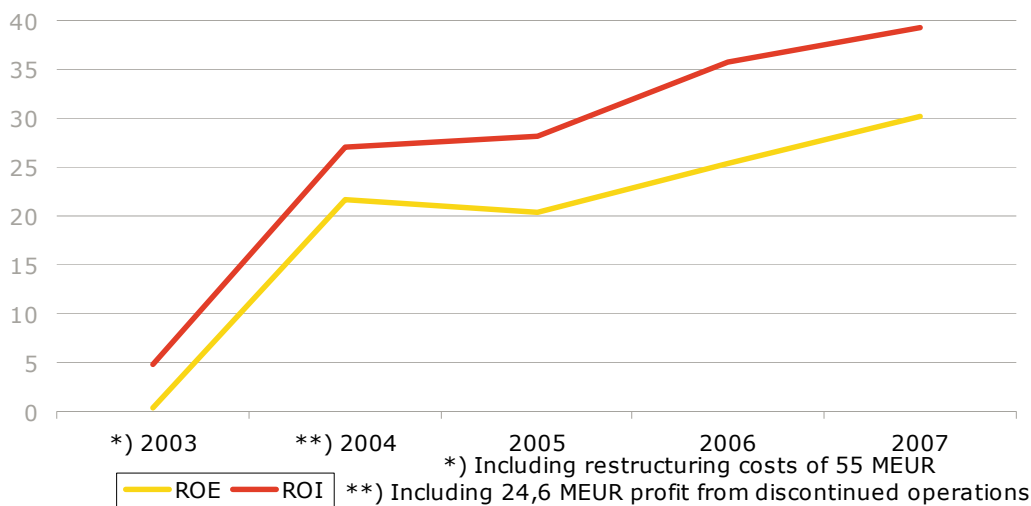
FY cash flow comments

- 512.4 MEUR returned to shareholders during past 5 years
- Gross investments essentially on prior year level, but net investments above due to loan repayments in 2006
- Financing used to fund short-term capital needs and dividends

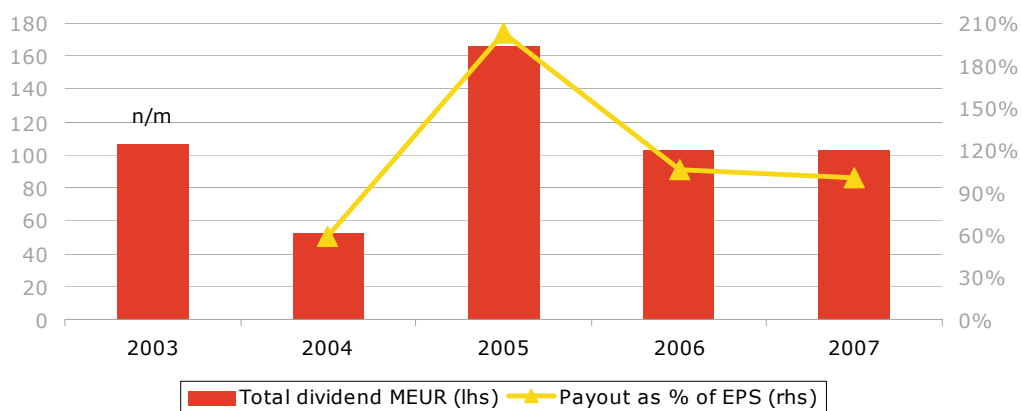


	2003	2004	2005	2006	2007
Financing	-76.6	-46.8	-48.4	11.0	55.3
Dividends & buy backs	-60.1	-111.8	-72.0	-166.0	-102.5
From investments	-1.2	56.1	-18.8	-28.8	-52.7
Cash flow from operations	148.0	115.1	158.6	147.3	93.8

ROI and ROE



Dividends and payout ratio



- Board's dividend proposal 1.40 EUR per share based on the dividend policy

Major shareholders 31 December 2007

Uponor

Oras Invest Group	23.9%	Share capital	146,4 MEUR
Varma *)	6.7%	Number of shares	73,206,944
Sampo Life	4.7%		
Ilmarinen	2.4%		
Tapiola Companies	2.2%		
Fennia Companies	0.9%		
State Pension Fund	0.9%		
Nominee registration	31.9%		
Others	26.4%		
	100.0%		

*) Varma has informed to own 6.7% of Uponor shares.
2.1% shown in the register due to stock lending.

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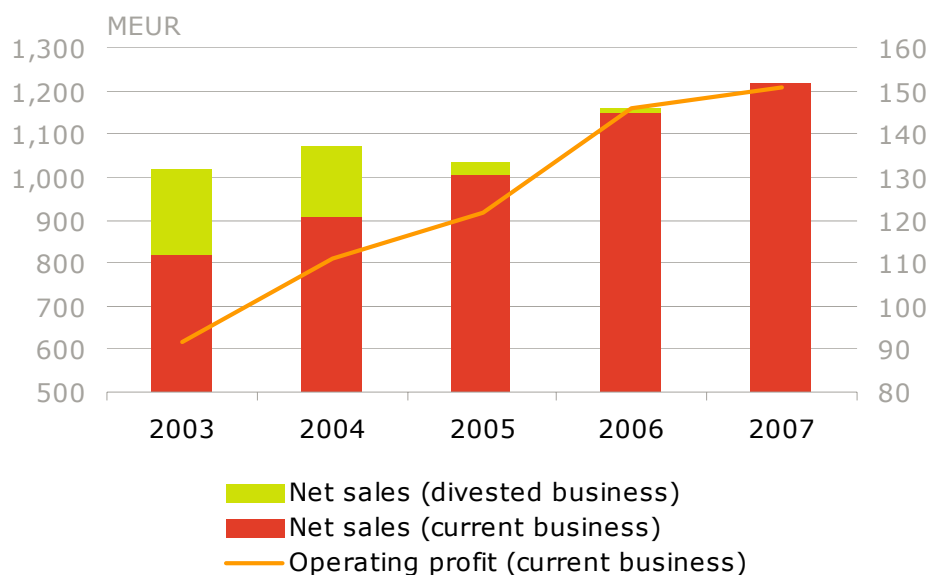
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5-year development of the current business portfolio

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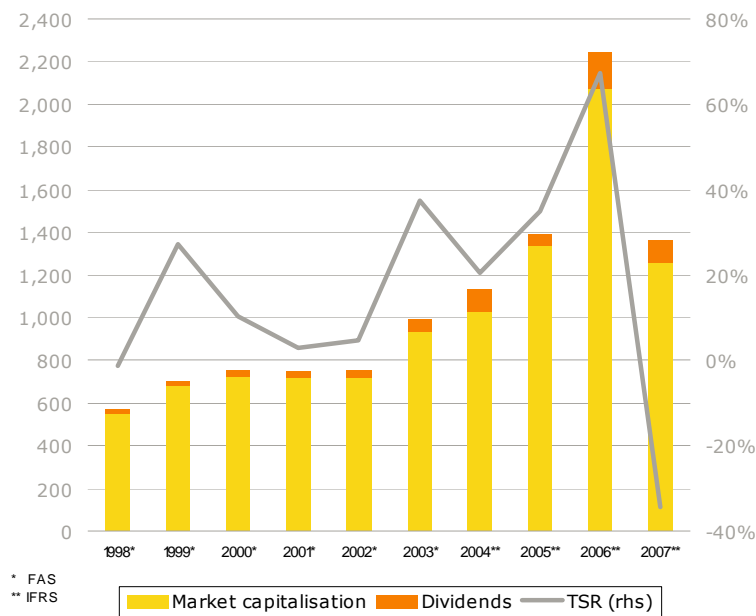
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Shareholder value development



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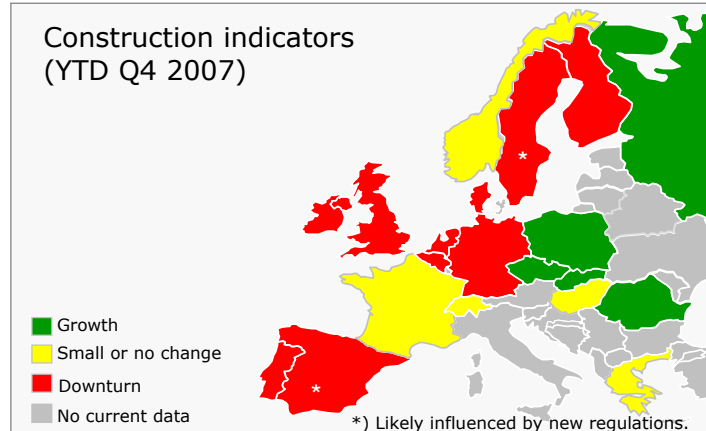
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Future outlook

Annual results briefing
7 Feb. 2008, Helsinki

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- Market visibility weak
- Consumer and building industry investment moods heavily influenced by the developments in the global financial environment



Residential new building	Germany	Nordic	UK & Ireland	Iberia	USA
2007					
Outlook 2008					

Management agenda for 2008

- Continue with key strategic initiatives
 - high-rise
 - strengthen position in North America
 - geographical expansion in Europe
 - penetrate low market share markets
- Given increased market volatility, management of capacity and overhead costs is key
 - continuous improvement in productivity
 - drive synergic benefits (ERP)



Long-term financial targets 2007-2009

Target	Scale	Achievement in 2007
Annual organic net sales growth (over the cycle)	> 6%	6.2%
Operating profit margin	~15%	12.4%
Return on investment (ROI)	>30%	39.2%
Gearing (average across quarters)	30 – 70	43.9
A growing ordinary dividend payout	> 50% of earnings	100.7% of earnings

Guidances for 2008

- Uponor expects to
 - grow its net sales organically
 - reach at least the 2007 operating profit level
- Net sales and operating profit in H1/2008 expected to stay behind from the robust H1/2007 performance

Measure	Current guidance On 7 Feb. 2008
Net sales	Achieve organic growth
Operating profit	≥ 151 MEUR
Gross capex	~ 60 MEUR
Tax rate	~ 31.5%

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simply more

The text may contain forward-looking statements, which are based on the management's present expectations and beliefs about the future. The actual result may differ materially from such statements.