Markets: Decline of key building markets continued in Q1/2008

- Residential building continued subdued in key markets
  - clearly more difficult than in Q1/2007

Europe:
- Germany – low level of activity
  - total construction market stable
- Spain – strongly down from high activity levels (since mid 2007)
- Nordic countries mostly on earlier levels
- Eastern Europe growth continues

North America:
- USA on historically low levels
- Canada performs strongly
Net sales down as anticipated, vs strong Q1/2007

<table>
<thead>
<tr>
<th>Net sales</th>
<th>2008 1-3</th>
<th>2007 1-3</th>
<th>Change 08/07, %</th>
<th>Change 08/06, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uponor</td>
<td>269.2</td>
<td>300.8</td>
<td>-10.5</td>
<td>+7.5</td>
</tr>
<tr>
<td>Central Europe</td>
<td>83.7</td>
<td>94.1</td>
<td>-11.0</td>
<td>+13.7</td>
</tr>
<tr>
<td>Nordic</td>
<td>92.8</td>
<td>94.5</td>
<td>-1.8</td>
<td>+24.7</td>
</tr>
<tr>
<td>Europe – West, East, South</td>
<td>99.8</td>
<td>116.4</td>
<td>-14.3</td>
<td>+13.9</td>
</tr>
<tr>
<td>North America</td>
<td>26.9</td>
<td>35.8</td>
<td>-24.9</td>
<td>-39.8</td>
</tr>
<tr>
<td>(North America, $)</td>
<td>41.0</td>
<td>47.1</td>
<td>-12.8</td>
<td>-23.6</td>
</tr>
</tbody>
</table>

- Net sales down as residential demand falls in key markets – main impact in Germany, USA, Spain
- Continued good level of activity in the Nordic countries (excl. DK) – good growth in infrastructure – external revenue up from Q1/07
- Favourable net sales development in strategic growth markets, e.g. Eastern Europe, UK (HS), France, Canada

Declining revenue influenced profitability

<table>
<thead>
<tr>
<th>Operating profit</th>
<th>2008 1-3</th>
<th>2007 1-3</th>
<th>Change 08/07, %</th>
<th>Change 08/06, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uponor</td>
<td>21.3</td>
<td>31.3</td>
<td>-32.0</td>
<td>-2.3</td>
</tr>
<tr>
<td>Central Europe</td>
<td>8.2</td>
<td>10.9</td>
<td>-24.4</td>
<td>-16.0</td>
</tr>
<tr>
<td>Nordic</td>
<td>7.1</td>
<td>10.0</td>
<td>-28.2</td>
<td>+14.7</td>
</tr>
<tr>
<td>Europe – West, East, South</td>
<td>9.9</td>
<td>13.2</td>
<td>-25.0</td>
<td>+40.4</td>
</tr>
<tr>
<td>North America</td>
<td>-0.7</td>
<td>0.8</td>
<td>-193.0</td>
<td>-142.5</td>
</tr>
<tr>
<td>(North America, $)</td>
<td>-1.1</td>
<td>1.0</td>
<td>-207.5</td>
<td>-153.7</td>
</tr>
</tbody>
</table>

- Profitability affected by declining revenue throughout the Group
- Management of fixed costs helped to offset the volume impact
- ERP post go-live efficiency not yet on target in the Nordics
- In North America, investment in building our market position burdens profitability
Strategic initiatives in progress

- Strategic growth initiatives continue to have a high priority
  - Building up of high-rise initiatives is in progress
  - Timing right from the point of view of market cycles and long-term building/living trends
  - Geographical expansion in Eastern Europe
    - Foothold in Turkey, expansion into other selected countries
    - Continued recruitment

- European integration
  - Integration of key business processes in Europe well advanced
  - ERP tools (Oracle) implemented in all European housing solutions supply units – Iberian go-live took place in January

Highlights of Q1/2008

- Housing solutions net sales growth in Eastern Europe, UK, France, Canada
- Mild winter boosted Infrastructure sales in Uponor Nordic whose external net sales increased from 2007
- Active new product introduction in North America – controls, fittings...
- Savings in operating expenses supported profit margins
  - Inventory levels reduced but still at a high level
  - Temporary ERP-related issues (shipping etc.) continued to hinder maximising business growth
## Financial results

Jyri Luomakoski  
CFO and deputy CEO

### Interim January – March 2008

#### Key figures

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-3 2008</th>
<th>1-3 2007</th>
<th>Change Y/Y</th>
<th>1-12 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>269,2</td>
<td>300,8</td>
<td>-10,5%</td>
<td>1 219,3</td>
</tr>
<tr>
<td>Operating profit</td>
<td>21,3</td>
<td>31,3</td>
<td>-32,0%</td>
<td>151,0</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>7,9%</td>
<td>10,4%</td>
<td>-2,5%</td>
<td>12,4%</td>
</tr>
<tr>
<td>Earning per share (diluted), EUR</td>
<td>0,19</td>
<td>0,29</td>
<td>-34,5%</td>
<td>1,39</td>
</tr>
<tr>
<td>Return on equity, % (p.a.)</td>
<td>20,0%</td>
<td>28,4%</td>
<td>-8,4%</td>
<td>30,1%</td>
</tr>
<tr>
<td>Return on investment, % (p.a.)</td>
<td>20,6%</td>
<td>32,5%</td>
<td>-11,9%</td>
<td>39,2%</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>216,5</td>
<td>161,4</td>
<td>+34,1%</td>
<td>84,5</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>91,9%</td>
<td>62,0%</td>
<td>+29,9%</td>
<td>25,4%</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>4 571</td>
<td>4 354</td>
<td>+5,0%</td>
<td>4 497</td>
</tr>
</tbody>
</table>
### Interim January – March 2008

#### Income statement

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-3 2008</th>
<th>1-3 2007</th>
<th>Change 1-12 Y/Y 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>269,2</td>
<td>300,8</td>
<td>-10,5% 1 219,3</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>175,4</td>
<td>195,8</td>
<td>-10,4% 781,5</td>
</tr>
<tr>
<td>Gross profit</td>
<td>93,8</td>
<td>105,0</td>
<td>-10,7% 437,8</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>34,8 %</td>
<td>34,9 %</td>
<td>-0,1% 35,9 %</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0,3</td>
<td>0,5</td>
<td>-48,7% 6,2</td>
</tr>
<tr>
<td>Expenses</td>
<td>72,8</td>
<td>74,2</td>
<td>-2,0% 293,0</td>
</tr>
<tr>
<td>Operating profit</td>
<td>21,3</td>
<td>31,3</td>
<td>-32,0% 151,0</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>7,9 %</td>
<td>10,4 %</td>
<td>-2,5% 12,4 %</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>0,6</td>
<td>0,0</td>
<td>+2745,0% 2,5</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>20,7</td>
<td>31,3</td>
<td>-33,7% 148,5</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>14,2</td>
<td>21,5</td>
<td>-33,7% 101,9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>30,5</td>
<td>40,6</td>
<td>-24,9% 188,2</td>
</tr>
</tbody>
</table>

**Comments to income statement**

- Sustained gross profit margin in a challenging market situation
- Expenses down, despite strategic initiatives into high-rise and geographical expansion
- Tax rate 31.5%
Interim January – March 2008

Revenue development by region

<table>
<thead>
<tr>
<th>Region</th>
<th>MEUR 2006</th>
<th>MEUR 2007</th>
<th>MEUR 2008</th>
<th>Change, Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Europe</td>
<td>73,4</td>
<td>83,7</td>
<td>84,5</td>
<td>-11,0%</td>
</tr>
<tr>
<td>Nordic</td>
<td>74,5</td>
<td>92,8</td>
<td>116,4</td>
<td>-14,3%</td>
</tr>
<tr>
<td>Europe WES</td>
<td>87,7</td>
<td>99,8</td>
<td>94,5</td>
<td>-24,9%</td>
</tr>
<tr>
<td>North America</td>
<td>44,7</td>
<td>86,4</td>
<td>26,9</td>
<td>-</td>
</tr>
</tbody>
</table>

Result development by region

<table>
<thead>
<tr>
<th>Region</th>
<th>MEUR 2006</th>
<th>MEUR 2007</th>
<th>MEUR 2008</th>
<th>Change, Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Europe</td>
<td>9,8</td>
<td>10,9</td>
<td>10,0</td>
<td>9,8%</td>
</tr>
<tr>
<td>Nordic</td>
<td>8,2</td>
<td>10,0</td>
<td>7,1</td>
<td>7,7%</td>
</tr>
<tr>
<td>Europe WES</td>
<td>6,2</td>
<td>7,0</td>
<td>13,2</td>
<td>9,9%</td>
</tr>
<tr>
<td>North America</td>
<td>1,7</td>
<td>0,8</td>
<td>-2,7%</td>
<td>-2,7%</td>
</tr>
</tbody>
</table>
Interim January – March 2008
Business segment external revenue

Interim January – March 2008
Business segment external revenue

Revenue development by region, last 12 months
Net sales development by key national markets (> 5% of Uponor net sales)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>33,6</td>
<td>29,5</td>
<td>22,2</td>
</tr>
<tr>
<td>Great Britain</td>
<td>33,6</td>
<td>34,1</td>
<td>34,5</td>
</tr>
<tr>
<td>Spain</td>
<td>27,3</td>
<td>25,3</td>
<td>18,4</td>
</tr>
<tr>
<td>Finland</td>
<td>24,4</td>
<td>24,3</td>
<td>21,5</td>
</tr>
<tr>
<td>Sweden</td>
<td>25,5</td>
<td>21,3</td>
<td>15,7</td>
</tr>
<tr>
<td>USA</td>
<td>22,9</td>
<td>17,9</td>
<td>12,2</td>
</tr>
<tr>
<td>Denmark</td>
<td>37,3</td>
<td>32,2</td>
<td>34,3</td>
</tr>
<tr>
<td>Italy</td>
<td>15,9</td>
<td>16,4</td>
<td>14,2</td>
</tr>
</tbody>
</table>

Change Y/Y:
-11,8% (excl. GBP impact: 0,9%)
-32,2% (excl. USD impact: -23,5%)

Interim January – March 2008
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>212,8</td>
<td>208,2</td>
<td>+4,6</td>
<td>218,9</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>101,1</td>
<td>96,9</td>
<td>+4,2</td>
<td>101,7</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>3,4</td>
<td>3,5</td>
<td>-0,1</td>
<td>3,6</td>
</tr>
<tr>
<td>Inventories</td>
<td>148,4</td>
<td>143,1</td>
<td>+5,3</td>
<td>150,6</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12,9</td>
<td>8,4</td>
<td>+4,5</td>
<td>6,3</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>234,0</td>
<td>251,6</td>
<td>-17,6</td>
<td>183,2</td>
</tr>
<tr>
<td>Shareholders´ equity</td>
<td>235,4</td>
<td>260,3</td>
<td>-24,9</td>
<td>333,0</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>17,9</td>
<td>20,4</td>
<td>-2,5</td>
<td>14,7</td>
</tr>
<tr>
<td>Provisions</td>
<td>14,9</td>
<td>16,1</td>
<td>-1,2</td>
<td>16,2</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>232,9</td>
<td>265,5</td>
<td>-32,6</td>
<td>224,3</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>211,5</td>
<td>149,4</td>
<td>+62,1</td>
<td>76,1</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>712,6</td>
<td>711,7</td>
<td>+0,9</td>
<td>664,3</td>
</tr>
</tbody>
</table>
Interim January – March 2008
Comments to balance sheet

- ERP 0.6 MEUR – programme scaling down as communicated earlier

- Inventories slightly down from the high year-end number

- Net interest-bearing liabilities 216.5 MEUR

### Interim January – March 2008

#### Cash flow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>31,6</td>
<td>41,3</td>
<td>-9,7</td>
<td>186,0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-38,6</td>
<td>-57,8</td>
<td>+19,0</td>
<td>-45,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-10,2</td>
<td>-10,1</td>
<td>-0,1</td>
<td>-47,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>-17,4</td>
<td>-26,6</td>
<td>+9,2</td>
<td>93,8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-6,2</td>
<td>-6,9</td>
<td>+0,3</td>
<td>-52,7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>-25,6</td>
<td>-33,5</td>
<td>+7,9</td>
<td>41,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and buy backs</td>
<td>-102,5</td>
<td>-102,5</td>
<td>+0,0</td>
<td>-102,5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financing</td>
<td>134,7</td>
<td>132,0</td>
<td>+2,7</td>
<td>55,3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>32,2</td>
<td>29,5</td>
<td>+2,7</td>
<td>-47,2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>6,6</td>
<td>-4,0</td>
<td>+10,6</td>
<td>-6,1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Cash flow from operations improved due to less capital spent in net working capital
  - Change in inventories positive: a 2.4 MEUR reduction in Q1/2008 compared to an increase of 13.4 MEUR in Q1/2007
  - Smaller increase in accounts receivable than in previous year
Future outlook

Interim results briefing
29 April 2008, Helsinki

Summary: Construction activity
YTD and FY 2008 outlook

<table>
<thead>
<tr>
<th></th>
<th>Residential</th>
<th>Non-residential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Activity YTD</td>
<td>FY 2008 Outlook</td>
</tr>
<tr>
<td>Great Britain</td>
<td>↘</td>
<td>↘</td>
</tr>
<tr>
<td>USA</td>
<td>↘</td>
<td>↘</td>
</tr>
<tr>
<td>Germany</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Spain</td>
<td>↘</td>
<td>↘</td>
</tr>
<tr>
<td>Finland</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Sweden</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Denmark</td>
<td>↘</td>
<td>↘</td>
</tr>
</tbody>
</table>
Western Europe: Residential Building Permits Index (EU-15)

- Despite the resilience of a few construction markets, the overall outlook for the Western European residential segment is darkening. Eurostat’s Building Permits Index has fallen to levels last seen in 2003

![Graph showing the Western Europe: Residential Building Permits Index (EU-15) with a decline trend from 2003 to 2008.]

Residential housing permits development in Germany

- FY 2006: 220,435
- FY 2007: 160,969
- Change: -27%

![Graph showing the residential housing permits development in Germany with a decline trend from 2005 to 2008.]
Residential housing permits development in Spain

Residential building permits
- - - Rolling 12 month average

FY 2006: 865,561
FY 2007: 688,851
Change: -20%

Source: Spanish Statistical Institute

U.S. construction outlook: Annual housing starts

- Residential: Most forecasts for full-year 2008 are now below the 1 million unit level, but with some strengthening in the latter part of the year. This implies a further contraction from 2007 of about 30%.

Source: Consensus Economics 3/2008
Management agenda for 2008

- Allocation of resources in key strategic initiatives continues
  - high-rise
  - strengthening of position in North America
  - geographical expansion in Europe
  - penetrate low market share markets

- Management of capacity and overhead costs continues to be key for maintaining profit margins
  - drive synergic benefits (ERP)
    - warehousing, transportation and sourcing initiatives have been boosted
  - other efficiency and productivity improvements

---

Long-term financial targets 2007-2009

<table>
<thead>
<tr>
<th>Target</th>
<th>Scale</th>
<th>Achieved in 2007</th>
<th>Achieved in Q1/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual organic net sales growth (over the cycle)</td>
<td>&gt; 6%</td>
<td>6.2% ✅</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>~15%</td>
<td>12.4% ✅</td>
<td>7.9%</td>
</tr>
<tr>
<td>Return on investment (ROI)</td>
<td>&gt;30%</td>
<td>39.2% ✅</td>
<td>20.6%</td>
</tr>
<tr>
<td>Gearing (average across quarters)</td>
<td>30 – 70</td>
<td>43.9 ✅</td>
<td>91.9</td>
</tr>
<tr>
<td>A growing ordinary dividend payout</td>
<td>&gt; 50% of earnings</td>
<td>100.7% ✅</td>
<td></td>
</tr>
</tbody>
</table>
Guidances for 2008

- Based on information at hand regarding building market development and less challenging comparables, Uponor expects to:
  - grow its net sales organically (less than the long-term target)
  - reach at least the 2007 operating profit level
- Guidance justified by ongoing growth initiatives, continued penetration, and efficiency improvements/cost containment
- Net sales and operating profit in H1/2008 to remain behind the robust H1/2007 performance

<table>
<thead>
<tr>
<th>Measure</th>
<th>Current guidance (First announced on 7 Feb. 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>Achieve organic growth (&lt;6%)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>≥ 151 MEUR</td>
</tr>
<tr>
<td>Gross capex</td>
<td>~ 60 MEUR</td>
</tr>
<tr>
<td>Tax rate</td>
<td>~ 31.5%</td>
</tr>
</tbody>
</table>

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.