Uponor at a glance

Uponor is a leading international provider of plastic based piping systems for buildings and infrastructure.

We provide safe drinking water delivery systems, energy-efficient radiant heating and cooling and reliable infrastructure solutions.

FACTS & FIGURES

1.05
billion euro
Net sales 2015

30
countries with
Uponor operations

14
production
sites worldwide

3,700
worldwide
staff
Our solutions enrich people’s way of life

Our vision
Throughout the world, our solutions enrich people’s way of life.

Our mission
Partnering with professionals to create better plumbing, indoor climate and infrastructure solutions.
Our solutions enrich people’s way of life

Our people
We will build an exciting environment for growth and achievement both for the company and our employees

Our values
Connect. Build. Inspire.

Our brand promise
Let’s build confidence!
Uponor milestones

1620
Johan de la Gardie establishes Wirsbo Bruks

1918
Aukrusti Asko-Avoniit 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
Wirsbo was first in the world to start manufacturing PEX pipes

1982
Asko Oy and Neste Oy jointly establish Oy Uponor Ab

1988
Uponor enters plastic hot water pipe business, acquires Wirsbo

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

1997
Acquisition of Unicor in 1997-1999

1999
Oras Invest becomes a major shareholder

2000
The business is consolidated under one brand

2006
Merger with parent company Asko Oy on 1 Jan 2000

2006 – 2008
Municipal business outside of the Nordic countries divested

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

2016
Acquisitions to expand competence in hygienic drinking water delivery
Sustainability is a foundation of our business

At Uponor, sustainability is linked to our vision and mission and demonstrated by actions throughout the organisation.

Our sustainability pillars

• Strongly integrating sustainability into our corporate mindset
• Driving down our environmental impact
• Enriching life through our innovative solutions
• Engaging external stakeholders in our sustainability journey

• Reporting through CDP Climate Change Nordic programme since 2010, Uponor has consistently improved performance and reached level B in 2016
Group structure

The chart shows the Executive Committee members’ responsibilities.
Business groups

Plumbing solutions
45% *)

Indoor climate solutions
25%

Infrastructure solutions
30%

*) percentage of 2015 net sales by business group
Uponor’s Plumbing offering
For efficient and hygienic drinking water delivery

Flexible pipe systems
Multilayer pipe systems
Risers
Press fittings
RTM fittings
Quick & Easy fittings
Tools
Intelligent water and hygiene

Coming soon: phyn+
Uponor’s Indoor Climate offering
The basis for a comfortable and energy-efficient ambiance

- Radiant heating and cooling
- Thermally active slabs
- Ceiling cooling
- Geothermal energy stations
- Manifold stations
- Controls
- Local heat distribution
- Ventilation
Uponor’s infrastructure offering
Transporting water, air, electricity, telecommunications and data

Standard Solutions

360° Project Services

Technology
Business gradually picking up after the global financial crisis
Uponor has a strategy to generate sustainable growth in the shorter and longer term.

- **We defend** our strong position in the distribution business and the residential markets.
- **We expand** in commercial markets with an aim to significantly grow designed solution sales.
- **We build options** for future growth, e.g. sustainable hygienic solutions, digitalisation and new production technologies.

October 2016 | Q3 2016 Roadshow presentation
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.
## Long-term financial targets

Announced in February 2013

<table>
<thead>
<tr>
<th>Target</th>
<th>Actual 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic net sales growth to exceed annual GDP growth* by 3 ppts</td>
<td>5.2% (target 4.8%)</td>
</tr>
<tr>
<td>EBIT margin to exceed 10%</td>
<td>7.2% w/o NRI</td>
</tr>
<tr>
<td>ROI to exceed 20%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Dividend pay-out to be at least 50% of annual earnings (considering the gearing target)</td>
<td>86%</td>
</tr>
<tr>
<td>Gearing to stay within 30 to 70 as an annual average of the quarters</td>
<td>40.4</td>
</tr>
</tbody>
</table>

* GDP growth based on a weighted average growth in the top 10 countries
Major shareholders
31 December 2015

- Oras Invest Oy 22.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 4.1%
- Ilmarinen Mutual Pension Insurance Company 2.7%
- Nordea Fennia Fund 1.0%
- The State Pension Fund 1.0%
- Nordea Pro Finland Fund 1.0%
- Nominee registrations 30.6%
- Others 31.7%

Currently valid foreign notifications:
15 September 2016: the holdings of Franklin Templeton Institutional, LLC, decreases below 10%

- 14,539 shareholders at the end of Dec 2015
- Foreign shareholding was 31.5% at the end of Dec 2015, up from 28.3% in Dec 2014
Financial results 1-9 2016
Q3/2016: Performance in Europe improved, supply issues impacted North American business

<table>
<thead>
<tr>
<th>July - September, M€</th>
<th>7-9/2015</th>
<th>7-9/2016</th>
<th>Change</th>
<th>OP margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>274.1</td>
<td>284.1</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>23.6</td>
<td>25.1</td>
<td>6.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>24.6</td>
<td>29.0</td>
<td>17.7%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Net sales
- Building Solutions – Europe’s net sales grew by acquisition but organic net sales was flat, driven by weaker single-family residential market, softer commercial market and tighter competition, mainly in Germany, the segment’s largest market
- Building Solutions – North America’s growth decelerated in a stabilising U.S. housing market, faced with high volatility in residential volumes and supply issues curbing fittings sales
- Uponor Infra’s growth was driven by the favourable Nordic trends; other markets remained soft

Operating profit
- Building Solutions – Europe’s operating profit improved driven by acquisitions and transformation-related savings
- Building Solutions – North America’s operating profit margin high at 16.0% despite fittings supply and margin issues and manufacturing capacity ramp up
- A second quarter for Uponor Infra with clear comparable operating profit improvement despite persistent weak demand. Savings from the transformation programme, favourable conversion cost and overhead trends supported
Market overview: third quarter 2016

**Nordic countries**
Construction activity has by and large continued to trend upward, led by Sweden’s residential boom and supported by slight improvements in Finland.

**Southern Europe**
Construction volumes in Spain and France have made some gains, while the Italian market remains challenging. Fallout from the UK’s EU referendum has been limited.

**Central Europe**
In Germany, increased demand for residential buildings is driving growth, while activity in the Netherlands has moderated.

**North America**
Construction markets remain largely healthy, but the substantial year-over-year gains witnessed during the quarters since the recovery began were not materialising in Q3.
Developments by segment: Building Solutions – Europe

- German building activity on a good level, top line affected by
  - Lower relative share of single-family business in contrast to flats in the sales mix
  - Softer commercial building market
  - Increasing competition from private label offerings
- Weakening market in the Netherlands after the recent boom
- Growth in other markets, such as Finland, the UK and Russia
- The KaMo/Delta acquisitions in January 2016 contributed positively, with their offering ideally complementing Uponor systems in Germany and other countries
- The transformation programme initiated in Q4/2015 progresses well and final measures are scheduled for completion during Q1/2017
  - A total of 10 offices closed since the start of the year
  - Net reduction in personnel amounts to 143 persons
- New factory in Taicang, China progresses; production lines are being installed and employees are moving in
Developments by segment: Building Solutions – North America

- Residential and non-residential construction remained healthy, but Q3 saw slowing down from the substantial y-o-y gains visible during recent quarters
- Demand also weakened in Canada
- Manufacturing ramp-up in the new facility progresses in plan

Engineered polymer (EP) resin supply issue
- Many years of plumbing business growth resulted in a shortage of EP resin for plastic fittings during H2/2015
- Uponor offered items in lead-free brass, which has a higher cost and generates lower gross margins
- During Q2/2016, Uponor qualified another EP resin with a higher unit cost and reintroduced a full range of plastic fittings
- The changes caused incremental costs in the supply chain, which should stabilise during the fourth quarter of 2016
Developments by segment: Uponor Infra

- The Nordic markets were stable overall with demand in Sweden and Norway improving somewhat
- Central and eastern European markets remained subdued, lacking EU funding
- Infrastructure markets in Canada continued to suffer from lack of oil exploration projects

- A second consecutive quarter with encouraging performance development, driven by transformational savings
  - Manufacturing streamlining continued by centralising production in Finland and Denmark
  - 31 jobs were reduced as part of the transformation programme during 2016

- A cost reduction and operational improvement programme also starting in Canada
# January – September 2016: Key figures

<table>
<thead>
<tr>
<th></th>
<th>1-9 2015</th>
<th>1-9 2016</th>
<th>Change</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, continuing operations</td>
<td>788.8</td>
<td>830.5</td>
<td>+5.3%</td>
<td>1,050.8</td>
</tr>
<tr>
<td>Operating profit, continuing operations</td>
<td>57.4</td>
<td>63.5</td>
<td>+10.5%</td>
<td>71.4</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>59.2</td>
<td>74.6</td>
<td>+25.9%</td>
<td>75.8</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>7.5%</td>
<td>9.0%</td>
<td>1.5% pts</td>
<td>7.2%</td>
</tr>
<tr>
<td>Earnings per share (diluted), continuing operations, €</td>
<td>0.44</td>
<td>0.47</td>
<td>+6.8%</td>
<td>0.51</td>
</tr>
<tr>
<td>Return on equity, % (p.a.)</td>
<td>14.4%</td>
<td>15.3%</td>
<td>0.9% pts</td>
<td>12.1%</td>
</tr>
<tr>
<td>Return on investment, % (p.a.)</td>
<td>17.3%</td>
<td>16.9%</td>
<td>-0.4% pts</td>
<td>15.5%</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>114.8</td>
<td>177.5</td>
<td>+54.6%</td>
<td>91.3</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>37.9%</td>
<td>56.6%</td>
<td>+18.7% pts</td>
<td>29.3%</td>
</tr>
<tr>
<td>Net working capital of Net sales, % (p.a.)</td>
<td>6.6%</td>
<td>12.0%</td>
<td>+5.4% pts</td>
<td>8.1%</td>
</tr>
<tr>
<td>Number of employees, end of period, continuing operations</td>
<td>3,777</td>
<td>3,834</td>
<td>+1.5%</td>
<td>3,735</td>
</tr>
</tbody>
</table>
July – September 2016: Income statement

- **Organic net sales** growth flat and somewhat lower than in H1 2016. Small (-€1.9m) impact of currency changes

- **Comparable gross profit margin** 34.4% (34.7%)

- **Expenses** slightly up due to IAC, German acquisitions and Building Solutions - North America, offsetting the favourable progress in cost saving from the European transformation programmes

- **Comparable operating profit** €29.0m (10.2%), up 17.7%

- **Financial expenses**, net up €2.4m, driven by the strengthening of the NOK and RUB

<table>
<thead>
<tr>
<th>M€ (Continuing operations)</th>
<th>7-9 2015</th>
<th>7-9 2016</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>274.1</td>
<td>284.1</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>179.1</td>
<td>187.3</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>95.0</td>
<td>96.8</td>
<td>+1.8%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>34.7%</td>
<td>34.1%</td>
<td>-0.6% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.2</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>71.6</td>
<td>72.1</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>23.6</td>
<td>25.1</td>
<td>+6.0%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>8.6%</td>
<td>8.8%</td>
<td>+0.2% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>-0.7</td>
<td>1.7</td>
<td>+372.1%</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>0.1</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>24.4</td>
<td>23.5</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>15.4</td>
<td>14.8</td>
<td>-3.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>32.7</td>
<td>37.2</td>
<td>+14.3%</td>
</tr>
</tbody>
</table>
January – September 2016:
Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>1-9 2015</th>
<th>1-9 2016</th>
<th>Change Y/Y</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>788.8</td>
<td>830.5</td>
<td>+5.3%</td>
<td>1,050.8</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>510.0</td>
<td>540.4</td>
<td>+6.0%</td>
<td>680.6</td>
</tr>
<tr>
<td>Gross profit</td>
<td>278.8</td>
<td>290.1</td>
<td>+4.0%</td>
<td>370.2</td>
</tr>
<tr>
<td>% of net sales</td>
<td>35.3%</td>
<td>34.9%</td>
<td>-0.4% pts</td>
<td>35.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.9</td>
<td>2.4</td>
<td>+169.0%</td>
<td>2.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>222.3</td>
<td>229.0</td>
<td>+3.0%</td>
<td>301.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>57.4</td>
<td>63.5</td>
<td>+10.5%</td>
<td>71.4</td>
</tr>
<tr>
<td>% of net sales</td>
<td>7.3%</td>
<td>7.6%</td>
<td>+0.3% pts</td>
<td>6.8%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>5.7</td>
<td>7.2</td>
<td>+24.0%</td>
<td>8.9</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.2</td>
<td>0.2</td>
<td>+1.0%</td>
<td>0.3</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>51.9</td>
<td>56.5</td>
<td>+9.0%</td>
<td>62.8</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>32.7</td>
<td>35.6</td>
<td>+9.0%</td>
<td>37.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>84.7</td>
<td>95.1</td>
<td>+12.4%</td>
<td>110.5</td>
</tr>
</tbody>
</table>

- **Comparable gross profit** at €292.4m (35.2%) against €279.3m (35.4%) in 2015
- **Comparable operating profit** at €74.6m (9.0%) against €59.2m (7.5%) in 2015, up by €15.4m
January – September 2016: Net sales & comparable operating profit by segment

- Building Solutions – Europe: net sales growth driven by the German acquisitions. Comparable operating profit margin at 8.0%, up from 6.4%

- Building Solutions – North America: only modest net sales growth in Q3 2016, and costs burdened by fittings resin supply shortages. Comparable operating profit margin at 16.7%, down by 2.5% pts from the very high level in 2015

- Uponor Infra: small growth in Q3 2016, but y-o-y net sales down by 6.9%. Improved comparable operating profit driven by reduced operational cost levels
January – September 2016: Net sales development by key markets

- Increase in Germany driven by the KaMo/Delta acquisitions
- Good progress continued in Sweden
- Strong Q3 2016 in Norway
January – September 2016: Balance sheet

<table>
<thead>
<tr>
<th>M€</th>
<th>30 Sep 2015</th>
<th>30 Sep 2016</th>
<th>Change Y/Y</th>
<th>31 Dec 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>211.3</td>
<td>223.6</td>
<td>+12.3</td>
<td>221.4</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>95.1</td>
<td>120.0</td>
<td>+24.9</td>
<td>94.7</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>10.8</td>
<td>35.0</td>
<td>+24.2</td>
<td>21.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>119.2</td>
<td>140.5</td>
<td>+21.3</td>
<td>112.4</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>41.1</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20.7</td>
<td>22.4</td>
<td>+1.7</td>
<td>48.2</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>241.8</td>
<td>262.2</td>
<td>+20.4</td>
<td>209.1</td>
</tr>
<tr>
<td>Total equity</td>
<td>302.5</td>
<td>313.7</td>
<td>+11.2</td>
<td>311.7</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>100.4</td>
<td>159.0</td>
<td>+58.6</td>
<td>91.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>17.7</td>
<td>25.4</td>
<td>+7.7</td>
<td>25.0</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>284.3</td>
<td>264.7</td>
<td>-19.6</td>
<td>231.6</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>35.1</td>
<td>40.9</td>
<td>+5.8</td>
<td>48.3</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>740.0</td>
<td>803.7</td>
<td>+63.7</td>
<td>707.8</td>
</tr>
</tbody>
</table>

- Increase in the balance sheet driven by the German acquisitions and a growing business in Building Solutions - North America
- Non-controlling interest represents €64.7m of the total equity at €313.7m
- The restricted cash in 2015 relates mainly to cash inflows from parties contributing to the funding of Uponor, Inc.’s U.S. class action settlements
### January – September 2016: Cash flow

<table>
<thead>
<tr>
<th></th>
<th>1-9 2015</th>
<th>1-9 2016</th>
<th>Change Y/Y</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+82.9</td>
<td>+92.5</td>
<td>+9.6</td>
<td>+105.6</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-41.4</td>
<td>-45.9</td>
<td>-4.5</td>
<td>-15.0</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-24.5</td>
<td>-24.6</td>
<td>-0.1</td>
<td>-32.4</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>+17.0</strong></td>
<td><strong>+22.0</strong></td>
<td><strong>+5.0</strong></td>
<td><strong>+58.2</strong></td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-24.3</td>
<td>-71.8</td>
<td>-47.5</td>
<td>-41.7</td>
</tr>
<tr>
<td><strong>Cash flow before financing</strong></td>
<td><strong>-7.3</strong></td>
<td><strong>-49.8</strong></td>
<td><strong>-42.5</strong></td>
<td><strong>+16.5</strong></td>
</tr>
<tr>
<td>Dividends and buy backs</td>
<td>-30.7</td>
<td>-32.2</td>
<td>-1.5</td>
<td>-30.7</td>
</tr>
<tr>
<td>Other financing</td>
<td>-1.3</td>
<td>+56.2</td>
<td>+57.5</td>
<td>+2.3</td>
</tr>
<tr>
<td><strong>Cash flow from financing</strong></td>
<td><strong>-32.0</strong></td>
<td><strong>+24.0</strong></td>
<td><strong>+56.0</strong></td>
<td><strong>-28.4</strong></td>
</tr>
<tr>
<td>Conversion differences</td>
<td>-0.2</td>
<td>+0.0</td>
<td>+0.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-39.5</td>
<td>-25.8</td>
<td>+13.7</td>
<td>-12.0</td>
</tr>
</tbody>
</table>

- Improved cash flow from operations
- Cash flow from investments includes cash flow-out related to the German acquisitions (€31.4m) and investment in the joint venture Phyn (€13.5m)
- Gross CapEx (€29.7m) slightly higher than depreciation, but down year-on-year
- Cash flow from investments in the comparison period includes a net cash flow effect of +€5.9m from the divestments of Uponor Infra’s Thai business and Extron Engineering Oy in Finland
Outlook for the future
Leading indicators: stable market outlook overall

<table>
<thead>
<tr>
<th>Indicator</th>
<th>YTD % Change</th>
<th>Rolling 12-month % Change</th>
<th>Data through</th>
<th>Trend since Q2 update</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USA</strong> Housing starts¹)</td>
<td>-12%</td>
<td>N/A</td>
<td>September 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Germany</strong> Housing permits</td>
<td>+23%</td>
<td>+21%</td>
<td>August 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Finland</strong> Housing permits</td>
<td>+12%</td>
<td>+12%</td>
<td>August 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Sweden</strong> Housing starts</td>
<td>+44%</td>
<td>+34%</td>
<td>Q2 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Canada</strong> Housing starts¹)</td>
<td>-5%</td>
<td>N/A</td>
<td>September 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Denmark</strong> Housing starts</td>
<td>+15%</td>
<td>+5%</td>
<td>June 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Netherlands</strong> Housing permits</td>
<td>-23%</td>
<td>-18%</td>
<td>August 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Spain</strong> Housing permits</td>
<td>+37%</td>
<td>+47%</td>
<td>July 2016</td>
<td></td>
</tr>
<tr>
<td><strong>UK</strong> Housing starts²)</td>
<td>-3%</td>
<td>+3%</td>
<td>Q2 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Norway</strong> Housing starts</td>
<td>+19%</td>
<td>+19%</td>
<td>September 2016</td>
<td></td>
</tr>
</tbody>
</table>

¹) Seasonally adjusted, annualised rate vs. same month in 2015  
²) England only
Permit activity points towards broad-based strengthening within the residential segment

- Data through June shows that permit activity in the residential segment has continued its slow ascent. Comparing 2016 to 2015, gains have been registered in most countries.

- Within the non-residential segment, developments have been much more heterogeneous, with gains in markets such as Germany being offset by declines in other markets.

**European building permits index**

(Euro Area 19, seasonally adjusted)

Source: Eurostat (Base year = 2010)
Country overview: USA

The economy continues to expand, but at a reduced rate, with full-year expectations being downgraded significantly in recent months.

Within the construction industry:

- Although single family starts continued to grow, total September housing starts fell 12% from the September 2015 rate.
- Construction spending levels are largely in line with last year in the residential segment.
- In the non-residential segment, spending has been flat overall, but has risen in offices and commercial space.
- However, builder confidence remains high.

Source: US Census, NAHB/Wells Fargo
Country overview: Germany

While some indicators point to a loss of momentum in the industrial sector, private consumption continues to drive the economy forward.

Within the construction industry:

- Confidence in the industry has reached yet another record high.
- Residential and non-residential permit statistics continue to point to industry expansion.
- While new orders have weakened, they remain relatively strong.

![German housing permits and builder confidence](image)

Source: Destatis and Eurostat
Management agenda for 2016 – No change in focus since Q1

• Complete the broad-based transformation in Europe and position Uponor as a provider of total solutions in order to achieve a clear growth in net sales
• Finalise the ongoing test runs and start local production of indoor climate and plumbing systems for the Chinese and Asian markets
• Stabilise the fittings supply chain, uphold customer satisfaction and boost sales growth in North America
• Continue the determined efforts to finalise new digitalised offering development as part of our investment in R&D and corporate development
Guidance 2016

- No sign of major changes in the market place in the near future, which could materially affect demand in 2016 from our earlier forecast

- Capital expenditure is expected to remain somewhat below the previously communicated figure of €58 million

- Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor reiterates earlier guidance from February 2016:

  The Group’s net sales and comparable operating profit are expected to improve from 2015
Builder confidence has strengthened in most European markets compared to last year.
Country overview: Finland

Finland’s fragile economic recovery continues, but significant downside risks continue to abound

Within the construction industry:

- Both permit activity and construction volumes have increased in the residential and non-residential segments from a low base
- Builder confidence strengthened in the last months of the quarter

Source: Statistics Finland & Eurostat
Country overview: Sweden

The economy expanded for the 12th consecutive quarter in Q2, although some indicators hint at a reduced growth rate going forward.

Within the construction industry:

- Housing starts are up 44% in H1 compared to H1 2015, with the multi-family market driving growth.
- Builder confidence remains high, but has not made any gains since last winter.

Source: Statistics Sweden and Eurostat
Housing starts in Denmark

Jan-June 2016: 7908
Change vs. 2015: +15%

Source: Statistics Denmark
Housing starts in Norway

Jan-Aug 2016: 23,004
Change vs. 2015: +19%