Review of operations in 2007

President and CEO Jan Lång

Uponor Corporation's Annual General Meeting

Helsinki, 13 March 2008

Improved performance in a challenging market

- Continued downturn in US housing market
- Also European residential construction markets started to decline
- Uponor’s operating profit improved from the previous year
- Net sales growth target was reached

Strategic programmes and development initiatives yielded results

- Europe –WES recorded a strong growth
- Uponor expanded and strengthened foothold in growing markets
- New offices and training centres were opened in several countries
- In North America, initiatives to improve performance gave results
- Profit development hampered by strong fluctuations in demand

Active development of the business to continue

- Growth investments to continue according to plan
  - the high-rise segment
  - strengthening of the positions in North America, expansion in Europe
- Management of cost and productivity

Growth	Corporate brand	Operational excellence
Build on current platforms	Strengthening of the Uponor corporate brand	Integrate the company

Guidance for 2008

- Uponor estimates that it can:
  - grow the net sales organically
  - at least reach the 2007 operating profit level

Long-term financial targets 2007-09	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
Growing ordinary dividend payment	> 50% earnings	100.7% of earnings

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Presentation of financial statements 2007

Jyri Luomakoski, CFO and Deputy CEO

Uponor Corporation's Annual General Meeting

Helsinki, 13 March 2008

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Income statement, p. 47

- Reported change in net sales: +5.4%
  - Organic growth (excluding divestments): +6.2%
  - Highest growth, in euros, from Uponor Europe – West, East, South and Uponor Nordic
- Improvement of gross profit margin mainly due to advantages from increased production volume and favourable development of sales mix

Income statement, p. 47

- Fixed operation expenses increased by approx. 7%
  - planned investments in new growth projects (high-rise segment and geographical expansion) and a common enterprise resource planning (ERP) system increased expenses

- Operating profit increased by 5.1% and came to 151.0 million euros, or 12.4% of net sales

- Profit for the financial year totalled 101.9 million euros

Balance sheet, pp. 48-49

- The most significant changes in fixed and non-current assets were the unfinished acquisitions related to, e.g., plant extension in the United States

- Because of growth, increased materials expenses, and slower demand toward the end of the year, the capital tied up in inventories increased by 22.5 million euros from that of the year before

Balance sheet, pp. 48-49

- Net interest-bearing liabilities stood at 84.5 million euros

- The consolidated balance sheet total amounted to 664.3 million euros, of which shareholders' equity accounted for 333.0 million euros

- Return on investment (ROI) stood at 39.2%

- The equity ratio was 50.2%

Cash flow statement, p. 50

- With the improved profit margin, income financing improved by approx. 5 million euros from the previous year’s level
- As a result of increased inventories and decreased accounts payable, assets tied up in net working capital stood at 45.1 million euros
- The cash flow from operations came to 93.8 million euros

Cash flow statement, p. 50

- Investments in fixed assets amounted to 58.1 million euros, the biggest ones being:
  - European enterprise resource planning (ERP) system, €7.4 million
  - plant extension in the USA

- The cash flow from financing stood at -47.2 million euros, of which 102.5 million euros was paid to shareholders as dividends



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