uponor

INTERIM REPORT 2011

28 April 2011

Q1

INTERIM REPORT FOR JANUARY–MARCH 2011

Uponor's year gets off to a steady start

- Market prospects improved, with demand reviving in several markets
- Net sales in January–March totalled €173.2 (157.4) million; a change of 10.0%
- Operating profit for January–March totalled €3.2 (1.5) million; a change of €1.7 million
- Earnings per share were €0.02 (–0.03)
- Return on investment was 4.7% (–1.1%), and gearing 62.3% (60.4%)
- Cash flow from business operations improved to €-21.9 (–28.0) million
- Full-year guidance remains unchanged

(Figures for continuing operations, unless otherwise stated.)

President and CEO Jyri Luomakoski comments on the reporting period:

- First-quarter demand in most markets improved year on year, and the recovery accelerated after the winter. We expect demand to remain steady as the summer approaches.
- Rising raw material, component and energy prices are creating continuous price pressure. Disregarding restocking to meet summer demand, our stock values in euro have grown in step with higher raw material prices. It is therefore vital that we are able to pass on price rises, to compensate for the forthcoming higher production costs once our current stocks are depleted.
- In April, we concluded an acquisition in Germany. This represents an important step in building our project business throughout Central Europe. It will supplement our offering, providing us with fresh know-how in this strategically important business sector.

Webcast and presentation material:

Following the release of this report, the related presentation material will be available at www.uponor.com > Investors > News & downloads.

A live webcast in English on the Q1 results will be on Thursday, 28 April at 10:00 am. Questions for the webcast can be sent to ir@uponor.com. The recorded webcast can be viewed at www.uponor.com >Investors > News & downloads shortly after the publication of the financial results.

Uponor Corporation will publish its interim report for January–June 2011 on 10 August 2011. During the silent period from 1 July to 10 August, Uponor offers no comment on market prospects or factors affecting business and performance, nor does the company discuss events or trends related to the reporting period or the current fiscal period.

Markets

The year has begun positively. In the first quarter, demand for building solutions remained stable in the key markets of Central Europe and the Nordic countries, mainly varying from good to satisfactory depending on the country. With respect to Uponor's product ranges, a pickup in demand was seen in parts of Western Europe, while the situation in Southern Europe remains challenging. In North America, the US and Canadian building solutions markets were mainly characterised by the continuation of weaker development than last year. This was largely due to the peak in demand experienced in the US a year ago. On the whole, demand for infrastructure solutions remained level with the previous year, reflecting the second consecutive severe winter.

There were clear regional differences in the development of demand for residential, public and commercial building, as well as for plumbing and indoor climate solutions. On the whole, however, a relatively stable situation prevailed.

Net sales

Uponor's net sales in the first quarter were affected by many factors, making comparison with the previous year more difficult. Such factors include the harsh winter in both years that, however, influenced different geographical areas in different ways; the rising raw material and energy prices; as well as anticipated price increases, all of which are expected to have affected purchasing behaviour. Furthermore, financial and political instability, both in Europe and the US, have hindered private homeowners' and companies' investments and the financing of large projects.

Uponor's net sales in the first quarter of 2011 were €173.2 (157.4) million, up by 10.0 per cent on a year earlier. Currency fluctuations had an impact of €2.8 million on the growth of net sales. Part of the growth in net sales was attributable to the increase in raw material prices, insofar as the rise could be passed onto sales prices.

Net sales improved in all segments, with the infrastructure solutions segment experiencing the strongest growth. Its net sales grew, in particular, due to growth in purchases by wholesalers in preparation for demand rising in the spring as well as the sales price increases carried through. In Europe, net sales of building solutions improved in Central Europe, mainly due to low sales during the comparison period. Net sales in Southern and Western Europe also increased slightly, despite Portugal's weak performance. In the Nordic countries, net sales in building solutions remained more or less level with the first quarter of 2010. Growth has slowed down since the final quarter of 2010, due to the harsh winter and relatively large deliveries to wholesalers in the final quarter of 2010. In Eastern Europe, where the markets are stabilising, net sales showed a slight increase. Despite the difficult market situation, the positive development in the U.S. increased the net sales of building solutions in North America, measured both in local and reporting currency.

By country, net sales grew most in Germany, up approximately 20 per cent from the previous year's modest level. In addition, net sales increased considerably in Sweden, the Netherlands, France and the U.S. Of the ten largest countries, net sales declined only in Italy and Norway.

Net sales by segment (January–March):

M€	1–3/ 2011	1–3/ 2010	Change
Building Solutions – Europe	122.3	112.0	9.2%
Building Solutions – North America	26.7	24.5	8.8%
(Building Solutions – North America (M$)	37.2	33.6	10.8%)
Infrastructure Solutions	26.0	21.9	18.9%
Eliminations	-1.8	-1.0	
Total	173.2	157.4	10.0%

Results and profitability

Uponor's operating profit totalled €3.2 (1.5) million, showing a year-on-year increase of €1.7 million from the difficult first quarter of 2010. Operating profit margin improved to 1.8 per cent, from 1.0 per cent reported a year ago.

Operating profit was burdened by the strong rise in raw material and component prices, which the company could not pass on in full to its sales prices. This affected the infrastructure solutions business in particular. In Europe, building solutions' profitability was also eroded by considerable efforts put into marketing and customer relationships, compared to the previous year, as a result of the timing of the major exhibitions and product launches in the early part of the current year.

Operating profit by segment (January–March):

M€	1–3/ 2011	1–3/ 2010	Change
Building Solutions – Europe	6.6	9.0	-27.4%
Building Solutions – North America	0.7	-1.8	139.5%
(Building Solutions – North America (M$)	1.0	-2.5	140.3%)
Infrastructure Solutions	-4.0	-4.0	0.5%
Other	-1.1	-1.9	42.4%
Eliminations	1.0	0.2	
Total	3.2	1.5	113.5%

Profit before taxes for January–March totalled €2.1 (–2.6) million. The influence of taxes on profits was negative, at €–0.6 million, while taxes for the corresponding period in 2010 were €0.8 million. Profit for the reporting period amounted to €1.5 (–1.8) million. Earnings per share were €0.02 (–0.03), both basic and diluted. Equity per share was €2.87 (€3.07), both basic and diluted.

Investment and financing

No significant investment projects were initiated during the reporting period; capital investments were mainly targeted at maintenance and improvement.

Gross investments in the first quarter came to €2.9 (1.8) million, clearly less than depreciation, which amounted to €6.9 (7.5) million. Cash flow from business operations improved to €-21.9 (–28.0) million, in response to regular seasonal fluctuations.

As market uncertainty continues, safeguarding liquidity remains one of the main goals of corporate financing. Follow-up of overdue accounts receivable and actions to avoid possible credit risk realisations are being actively continued.

Since the end of last year, no major changes have occurred in the Group's financial position. At the end of the reporting period, €48 million remained of the €80 million of the company's pension contribution borrowed back from a Finnish pension insurance company. Available bilateral credit limits amounted to €190 million, none of which was in use at the end of the reporting period. At the period end, €79.7 (53.9) million was in use of the €150 million from the domestic commercial paper programme.

Despite the dividend of €40.2 million paid on 25 March, the company's gearing is at a healthy level. Interest-bearing liabilities amounted to €130.8 (135.4) million. The period-end cash balance totalled €8.5 (6.3) million. Gearing increased to 62.3 per cent (60.4 per cent), but remains in line with the set targets.

Key events

In the first quarter, Uponor focused strongly on modernising its marketing activities and product systems. Significant new products were introduced at the international ISH trade fair in Frankfurt, Germany, which is the world's foremost customer event in the building solutions industry. A key novel product was the new RTM press fitting. During the spring, this will be launched in several European countries.

In addition, the new Quick & Easy expansion tool was introduced to the European public at the ISH trade fair. This battery-powered tool, developed in collaboration with a leading tool manufacturer, markedly facilitates the fitting of plumbing systems, and it is compatible with the manufacturer's other tools. In North America, where the tool was launched end of last year, it has clearly raised interest in Uponor's offering.

New heating and control systems were also introduced at the ISH trade fair. Uponor's communications concept was based on the new customer segmentation model: for the first time, products and solutions were presented to defined target groups in their actual environments.

The traditional Uponor Conference was organised in Austria, for the 33rd time. This has become a key event for planners in Central Europe, with approximately 200 participants this year.

In March, Uponor signed a contract to acquire a 50.3% majority holding in the German company Zent-Frenger Gesellschaft für Gebäudetechnik mbH, in order to strengthen its position in the project business. Zent-Frenger develops, manufactures and markets heating, cooling and geothermal technology solutions, mainly for commercial and public building.

In March, Uponor's new distribution and training centre was inaugurated in Spain, close to Madrid. The building also houses the main office for Uponor's management in Western and Southern Europe.

In the US, good results were achieved through the company's success in key markets to convert contractors and builders. In California, Uponor was able to increase sales of pipe systems, following last year's state approval of the use of PEX pipes in water distribution systems within buildings.

Uponor has taken measures to expand its business in Asia and concluded co-operation contracts in Indonesia, for example, to increase its sales of indoor climate systems. Preparations to establish a Rep Office in India proceeded well.

Human resources and administration

The number of Group full-time-equivalent employees in continuing operations averaged 3,197 (3,173) during the period under review, showing an increase of 24 employees from the same period in 2010. At the end of the period, the Group had 3,227 (3,181) employees, an increase of 46 from the end of the comparison period and 30 from the end of 2010.

Annual General Meeting

Uponor's Annual General Meeting was held in Helsinki on 15 March 2011. The AGM adopted Uponor's parent-company and consolidated financial statements for 2010 and released the Board members and the CEO from liability. The AGM approved the proposed dividend of €0.55 per share for 2010.

Jorma Eloranta, Jari Paasikivi, Aimo Rajahalme, Anne-Christine Silfverstolpe Nordin and Rainer S. Simon were re-elected to the Board of Directors. Ms Eva Nygren, a Swedish citizen, was elected as the sixth member of the Board. Ms Nygren is an architect and acts as managing director of two subsidiaries of the planning consultancy Sweco AB.

Deloitte & Touche Oy, Authorised Public Accountants, was re-elected as the company's auditor, with Mikael Paul, Authorised Public Accountant, remaining the principal auditor.

The Board's annual remuneration remained unchanged. The AGM decided that a separate remuneration per Board and committee meeting shall be paid to Board members. The amount of remuneration varies depending on the member's place of residence and the venue of the meeting.

The AGM decided to establish a Nomination Board, comprising shareholders or their representatives, for the preparation of proposals for the election and remuneration of members of the Board of Directors. The three largest shareholders or representatives of shareholders shall be elected to the Nomination Board. In addition, the chairman of the Board of Directors shall act as an expert member.

The Board was authorised to resolve to buy back a maximum of 3.5 million of the company's own shares using distributable earnings from unrestricted equity, amounting to approximately 4.8 per cent of the total number of company shares. This authorisation is valid until the end of the next annual general meeting, however, not later than until 18 months from the date of this general meeting.

The AGM authorised the Board of Directors to issue a maximum of 7.2 million shares, amounting to approximately 9.8 per cent of the total number of company shares. The Board of Directors decides on conditions governing the share issue. It may be carried out as a directed issue, in deviation from the shareholders' pre-emptive rights. The authorisation includes the possibility to issue own shares to the company free of charge. This authorisation is valid until the end of the next annual general meeting.

The Board of Directors did not exercise this authorisation during the reporting period. The Board of Directors has no other authorisations from the General Meeting.

Share capital and shares

Uponor Corporation's share capital amounts to €146,446,888 and the number of shares totals 73,206,944. There were no changes in the share capital and shares in the first quarter.

The number of Uponor shares traded on the NASDAQ OMX Exchange in Helsinki fell in the first quarter to 9.6 (10.2) million shares, totalling €119.9 (141.8) million. The market value of the share capital at the end of the period was €0.9 (1.0) billion, and the number of shareholders was 21,786 (21,579).

The company held 160,000 own shares, acquired in the final quarter of 2008 for use in the company's share-based incentive programme.

Events after the period under review

The acquisition of the 50.3% majority holding in the German company Zent-Frenger Gesellschaft für Gebäudetechnik mbH announced in March was finalised on 11 April 2011.

Short-term outlook

The year has had a cautiously positive start, with the residential building markets expected to grow steadily during the spring. Positive signs can be discerned in Germany, in particular, and in some of its neighbouring countries. Demand for building solutions is expected to remain at the current level in the Nordic countries, whereas demand for infrastructure solutions should improve on the previous year's modest level. Positive signs of a revival in demand are also apparent in most markets in Southern, Western and Eastern Europe. Despite the poor market statistics, Uponor has a more positive outlook in North America than last year.

However, Uponor's financial performance may be affected by a range of strategic, operational, financial and hazard risks. A more detailed risk analysis is provided in the company's Annual Report. In addition, the future development of the building and housing market depends on global economic and political developments, which are very difficult to predict.

Under these circumstances, Uponor maintains its full-year guidance:

Organic growth in Uponor's net sales is expected to accelerate from the 2010 level, and operating profit is expected to improve on last year's reported result. The Group's fixed-asset investments are not expected to exceed depreciation, and efficient net working capital management measures will help to retain a good cash flow level.

Uponor Corporation
Board of Directors

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Information on the interim report

The figures in brackets in this interim report are the reference figures for the equivalent period in 2010. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

INTERIM REPORT 1-3/2011

This interim report is unaudited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-3/2011	1-3/2010	1-12/2010
Continuing operations			
Net sales	173.2	157.4	749.2
Cost of goods sold	108.7	98.6	461.1
Gross profit	64.5	58.8	288.1
Other operating income	0.0	0.6	2.2
Dispatching and warehousing expenses	7.4	7.5	30.1
Sales and marketing expenses	39.3	35.5	145.1
Administration expenses	10.9	11.3	45.0
Other operating expenses	3.7	3.6	17.7
Operating profit	3.2	1.5	52.4
Financial expenses, net	1.1	4.1	10.7
Profit before taxes	2.1	-2.6	41.7
Income taxes	0.6	-0.8	14.7
Profit for the period from continuing operations	1.5	-1.8	27.0
Discontinued operations			
Result for the period from discontinued operations	0.0	-0.4	-2.3
Result for the period	1.5	-2.2	24.7
Other comprehensive income			
Translation differences	-4.0	8.4	12.6
Cash flow hedges	-0.5	-0.4	1.6
Net investment hedges	1.0	-3.2	-8.4
Other comprehensive income for the period	-3.5	4.8	5.8
Total comprehensive income for the period	-2.0	2.6	30.5
Earnings per share, €	0.02	-0.03	0.34
- Continuing operations	0.02	-0.03	0.37
- Discontinued operations	0.00	0.00	-0.03
Diluted earnings per share, €	0.02	-0.03	0.34
- Continuing operations	0.02	-0.03	0.37
- Discontinued operations	0.00	0.00	-0.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	31.3.2011	31.3.2010	31.12.2010
Assets			
Non-current assets			
Property, plant and equipment	165.5	173.5	171.3
Intangible assets	96.9	100.4	96.9
Securities and long-term investments	8.2	7.3	8.4
Deferred tax assets	13.1	13.6	13.9
Total non-current assets	283.7	294.8	290.5
Current assets			
Inventories	93.7	83.4	84.4
Accounts receivable	125.6	116.7	93.1
Other receivables	16.5	23.5	17.3
Cash and cash equivalents	8.5	6.3	11.9
Total current assets	244.3	229.9	206.7
Total assets	528.0	524.7	497.2
Shareholders' equity and liabilities			
Shareholders' equity	210.0	224.1	252.1
Non-current liabilities			
Interest-bearing liabilities	43.4	67.3	43.5
Deferred tax liability	9.3	9.8	9.5
Provisions	3.9	5.7	5.6
Employee benefits and other liabilities	22.3	15.4	21.6
Total non-current liabilities	78.9	98.2	80.2
Current liabilities			
Interest-bearing liabilities	95.9	74.4	35.2
Provisions	7.6	9.0	6.4
Accounts payable	52.5	45.6	51.0
Other liabilities	83.1	73.4	72.3
Total current liabilities	239.1	202.4	164.9
Total shareholders' equity and liabilities	528.0	524.7	497.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-3/2011	1-3/2010	1-12/2010
Cash flow from operations			
Net cash from operations	12.9	4.9	74.9
Change in net working capital	-29.6	-28.8	-22.6
Income taxes paid	-5.5	-3.7	1.1
Interest paid	-0.3	-0.4	-4.7
Interest received	0.4	0.0	0.5
Cash flow from operations	-21.9	-28.0	49.2
Cash flow from investments			
Proceeds from sales of shares	-	-	0.2
Purchase of fixed assets	-2.9	-1.8	-19.0
Proceeds from sales of fixed assets	0.1	2.7	5.0
Received dividends	-	-	0.1
Loan repayments	0.0	0.0	0.1
Cash flow from investments	-2.8	0.9	-13.6
Cash flow from financing *)			
Borrowings and repayments of debt	42.7	41.7	67.6
Repayment of debt	-	-	-84.0
Change in other short-term loan	18.9	15.5	18.0
Dividends paid	-40.2	-36.5	-36.5
Payment of finance lease liabilities	-0.1	-0.5	-2.1
Cash flow from financing	21.3	20.2	-37.0
Conversion differences for cash and cash equivalents	0.0	0.0	0.1
Change in cash and cash equivalents	-3.4	-6.9	-1.3
Cash and cash equivalents at 1 January	11.9	13.2	13.2
Cash and cash equivalents at end of period	8.5	6.3	11.9
Changes according to balance sheet	-3.4	-6.9	-1.3

*) In the Q3/2010 interim report, the presentation of the Condensed Consolidated Statement of Cash Flow was changed so that long-term loans with a maturity of over three months are presented separately in Borrowings of debt and Repayments of debt. Loans with a maturity of less than three months are presented as a net amount in Cash Flow from Financing. The comparable data have been adjusted to reflect the new method.

STATEMENT OF CHANGES IN EQUITY

M€	Share capital	Share premium	Other reserves*	Trans-lation reserve	Treasury shares	Retained earnings	Total
Balance at 1 Jan 2010	146.4	50.2	1.3	-14.0	-1.2	75.3	258.0
Total comprehensive income for the period			-3.6	8.4		-2.2	2.6
Dividend paid (€ 0.50 per share)						-36.5	-36.5
Other adjustments			0.0			0.0	-
Balance at 31 Mar 2010	146.4	50.2	-2.3	-5.6	-1.2	36.6	224.1
Balance at 1 Jan 2011	146.4	50.2	-5.5	-1.4	-1.2	63.6	252.1
Total comprehensive income for the period			0.5	-4.0		1.5	-2.0
Dividend paid (€ 0.55 per share)						-40.2	-40.2
Share based incentive plan						0.1	0.1
Other adjustments			0.0			0.0	-
Balance at 31 Mar 2011	146.4	50.2	-5.0	-5.4	-1.2	25.0	210.0

*) Includes –7.4 (-3.2) M€ effective portion of the net investment hedge.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and IAS 34 Interim Financial Reporting. In its interim reports Uponor Group follows the same principles as in the annual financial statements for 2010.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	1-3/2011	1-3/2010	1-12/2010
Gross investment	2.9	1.8	19.0
- % of net sales	1.7	1.1	2.5
Depreciation	6.9	7.5	29.1
Write downs	-	-	1.4
Book value of disposed fixed assets	0.1	2.1	5.4

PERSONNEL

Converted to full time employees	1-3/2011	1-3/2010	1-12/2010
Average	3,197	3,173	3,219
At the end of the period	3,227	3,181	3,197

OWN SHARES	31.3.2011	31.3.2010	31.12.2010

Own shares held by the company, pcs	160,000	160,000	160,000
- of share capital, %	0.2%	0.2%	0.2%
- of voting rights, %	0.2%	0.2%	0.2%
Accounted par value of own shares held by the company, M€	0.3	0.3	0.3

SEGMENT INFORMATION

	1-3/2011			1-3/2010		
M€	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions – Europe	122.2	0.1	122.3	111.9	0.1	112.0
Building Solutions - North America	26.7	-	26.7	24.5	-	24.5
Infrastructure Solutions	24.3	1.7	26.0	21.0	0.9	21.9
Eliminations	-	-1.8	-1.8	-	-1.0	-1.0
Total	173.2	-	173.2	157.4	-	157.4

	1-12/2010		
M€	External	Internal	Total
Segment revenue, continuing operations			
Building Solutions – Europe	503.6	0.8	504.4
Building Solutions - North America	114.6	-	114.6
Infrastructure Solutions	131.0	7.3	138.3
Eliminations	-	-8.1	-8.1
Total	749.2	-	749.2

M€	1-3/2011	1-3/2010	1-12/2010
Segment result, continuing operations			
Building Solutions - Europe	6.6	9.0	55.7
Building Solutions - North America	0.7	-1.8	3.1
Infrastructure Solutions	-4.0	-4.0	0.4
Others	-1.1	-1.9	-6.8
Eliminations	1.0	0.2	0.0
Total	3.2	1.5	52.4

M€	1-3/2011	1-3/2010	1-12/2010
Segment depreciation and impairments, continuing operations			
Building Solutions – Europe	3.2	3.3	13.2
Building Solutions - North America	1.0	1.6	8.0
Infrastructure Solutions	1.5	1.4	5.6
Others	1.0	1.1	4.3
Eliminations	0.2	0.1	-0.5
Total	6.9	7.5	30.6
Segment investments, continuing operations			
Building Solutions – Europe	1.5	0.7	8.0
Building Solutions - North America	0.5	0.7	4.3
Infrastructure Solutions	0.7	0.4	6.2
Others	0.1	0.0	0.5
Total	2.9	1.8	19.0

M€	31.3.2011	31.3.2010	31.12.2010
Segment assets			

Building Solutions - Europe	409.9	391.9	414.9
Building Solutions - North America	201.0	127.6	126.8
Infrastructure Solutions	91.4	79.5	88.9
Others	510.3	486.0	534.2
Eliminations	-684.4	-560.3	-667.5
Total	528.0	524.7	497.2
Segment liabilities			
Building Solutions - Europe	302.1	297.7	303.1
Building Solutions - North America	69.4	76.7	72.8
Infrastructure Solutions	65.9	58.2	64.2
Others	504.6	467.5	496.0
Eliminations	-624.0	-599.5	-691.0
Total	318.0	300.6	245.1

	1-3/2011	1-3/2010	1-12/2010
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,211	2,220	2,222
Building Solutions - North America	411	423	427
Infrastructure Solutions	517	471	509
Others	58	59	61
Total	3,197	3,173	3,219

Reconciliation

M€	1-3/2011	1-3/2010	1-12/2010
Segment result, continuing operations			
Segment results total	3.2	1.5	52.4
Financial expenses, net	1.1	4.1	10.7
Group's result before taxes	2.1	-2.6	41.7

CONTINGENT LIABILITIES

M€	31.3.2011	31.3.2010	31.12.2010
Group:			
Pledges			
- on own behalf	0.0	0.0	0.0
Mortgages			
- on own behalf	-	0.0	-
Guarantees			
- on own behalf	0.1	0.1	0.1
- on behalf of others	7.0	7.1	7.0
Parent company:			
Guarantees			
- on behalf of a subsidiary	12.0	10.6	11.2
- on behalf of others	6.9	6.9	6.9
OPERATING LEASE COMMITMENTS	27.6	30.4	29.3

DERIVATIVE CONTRACTS

M€	Nominal value 31.3.2011	Fair value 31.3.2011	Nominal value 31.3.2010	Fair value 31.3.2010	Nominal value 31.12.2010	Fair value 31.12.2010
Currency derivatives						
- Forward agreements	167.5	-1.2	132.6	-4.4	175.1	4.0
- Currency options, bought	13.6	0.0	-	-	21.6	0.0
- Currency options, sold	14.3	0.0	-	-	21.6	-0.3
Commodity derivatives						
- Forward agreements	5.8	0.9	7.2	-0.8	6.0	1.6

DISCONTINUED OPERATIONS

In 2011 and 2010, the discontinued operations include costs related to the Irish infrastructure business sold in 2008. These costs stem from soil cleaning operations started in 2008.

M€	1-3/2011	1-3/2010	1-12/2010
Expenses	0.0	0.4	2.3
Result before taxes	0.0	-0.4	-2.3
Income taxes	0.0	0.0	0.0
Result after taxes	0.0	-0.4	-2.3
Result for the period from discontinued operations	0.0	-0.4	-2.3
Cash flow from discontinued operations			
Cash flow from operations	-0.2	-0.2	-1.6

RELATED-PARTY TRANSACTIONS

M€	1-3/2011	1-3/2010	1-12/2010
Continuing operations			
Purchases from associated companies	0.4	0.3	1.4
Balances at the end of the period			
Accounts payables and other liabilities	0.1	0.1	0.0

KEY FIGURES

	1-3/2011	1-3/2010	1-12/2010
Earnings per share, €	0.02	-0.03	0.34
- continuing operations	0.02	-0.03	0.37
- discontinued operations	0.00	0.00	-0.03
Operating profit (continuing operations), %	1.8	1.0	7.0
Return on equity, % (p.a.)	2.6	-3.7	7.0
Return on investment, % (p.a.)	4.7	-1.1	14.4
Solvency ratio, %	39.8	42.7	50.8
Gearing, %	62.3	60.4	26.5
Net interest-bearing liabilities	130.8	135.4	66.8
Equity per share, €	2.87	3.07	3.45
- diluted	2.87	3.07	3.45
Trading price of shares			
- low, €	11.01	12.40	10.58
- high, €	14.25	15.66	15.66
- average, €	12.47	13.95	12.88
Shares traded			
- 1,000 pcs	9,619	10,165	37,389
- M€	120	142	482

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

$$= \frac{\text{Profit before taxes – taxes}}{\text{Shareholders' equity + minority interest, average}} \times 100$$

Return on Investment (ROI), %

$$= \frac{\text{Profit before taxes + interest and other financing costs}}{\text{Balance sheet total – non-interest-bearing liabilities, average}} \times 100$$

Solvency, %

$$= \frac{\text{Shareholders' equity \underline{+} minority interest}}{\text{Balance sheet total – advance payments received}} \times 100$$

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity + minority interest}} \times 100$$

Net interest-bearing liabilities

= Interest-bearing liabilities – cash, bank receivables and financial assets

Earnings per share (EPS)

$$= \frac{\text{Profit for the period}}{\text{Number of shares adjusted for share issue in financial period excluding treasury shares}}$$

Equity per share ratio

$$= \frac{\text{Shareholders' equity}}{\text{Average number of shares adjusted for share issue at end of year}}$$

Average share price

$$= \frac{\text{Total value of shares traded (EUR)}}{\text{Total number of shares traded}}$$