

# **Interim Q1 / 2002 results**

**Quarter 1/2002 results briefing  
Helsinki, 23 April 2002**

**Jyri Luomakoski, CFO**

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## Interim January – March 2002

### Net sales by segment

| <b>MEUR</b>          | 1-3<br>2002  | Change<br>Y/Y | 1-3<br>2001  | 1-12<br>2001   |
|----------------------|--------------|---------------|--------------|----------------|
| Plastic Pipe Systems | 250,1        | -8,4%         | 273,0        | 1.165,7        |
| Real Estate          | 6,4          | -4,5%         | 6,7          | 25,6           |
| Others               | 0,2          | 0,0%          | 0,0          | 1,1            |
| <b>Uponor Group</b>  | <b>256,7</b> | <b>-8,2%</b>  | <b>279,7</b> | <b>1.192,4</b> |

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## Interim January – March 2002

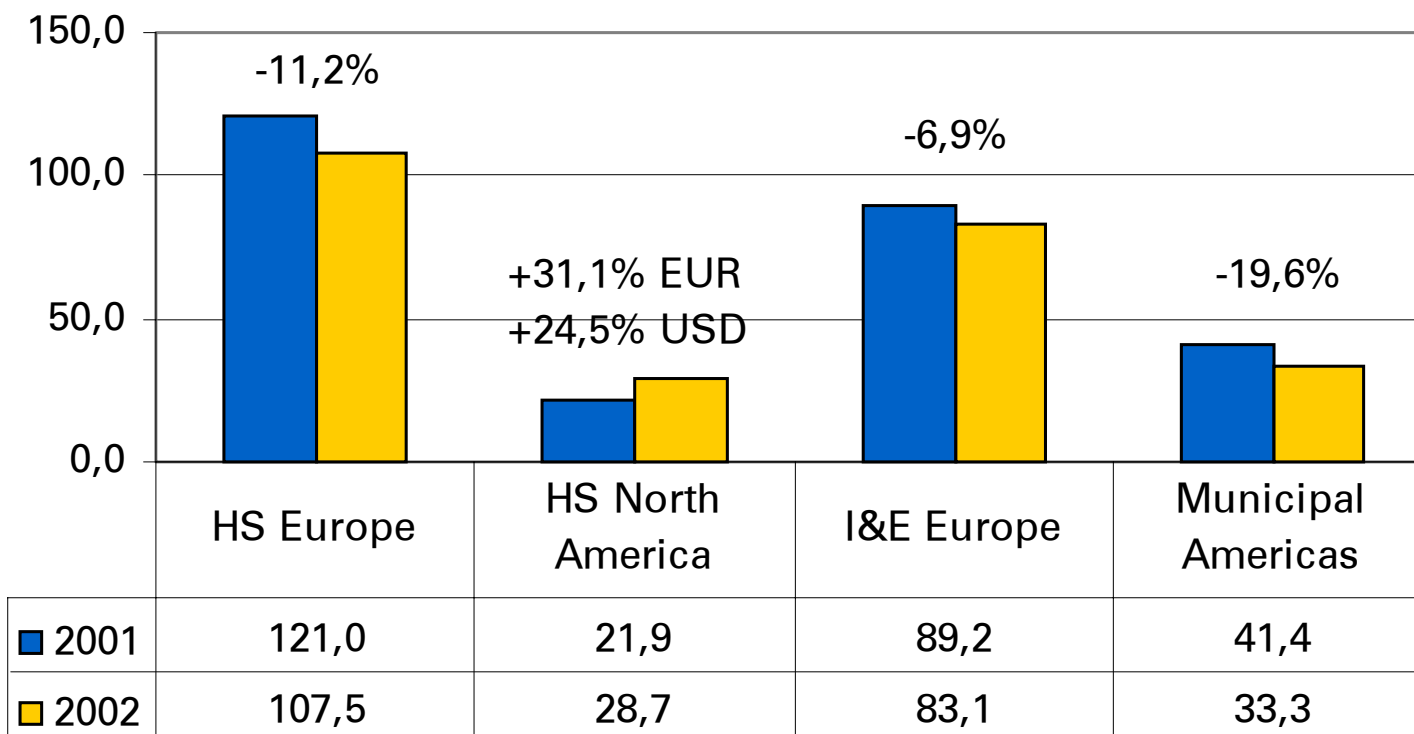
### Income statement

| <b>MEUR</b>                  | 1-3<br>2002 | Change<br>Y/Y | 1-3<br>2001 | 1-12<br>2001 |
|------------------------------|-------------|---------------|-------------|--------------|
| Net sales                    | 256,7       | -8,2%         | 279,7       | 1.192,4      |
| Other operating income       | 4,5         | 36,4%         | 3,3         | 12,3         |
| Operating profit             | 14,2        | 40,6%         | 10,1        | 91,2         |
| Financial expenses, net      | 4,9         | 16,7%         | 4,2         | 16,2         |
| Profit after financial items | 9,3         | 57,6%         | 5,9         | 75,0         |
| Extraordinary items          | 0,0         | -100,0%       | 1,1         | 9,7          |
| Profit before taxes          | 9,3         | 93,8%         | 4,8         | 65,3         |
| Profit for the period        | 6,1         | 84,8%         | 3,3         | 36,6         |

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# Interim January – March 2002

## Pipe Systems net sales by division



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## Interim January – March 2002

### Operating profit by segment

| <b>MEUR</b>          | 1-3<br>2002 | Change<br>Y/Y | 1-3<br>2001 | 1-12<br>2001 |
|----------------------|-------------|---------------|-------------|--------------|
| Plastic Pipe Systems | 9,0         | 36,4%         | 6,6         | 76,2         |
| Real Estate          | 5,9         | 3,5%          | 5,7         | 20,3         |
| Others               | -0,7        | -68,2%        | -2,2        | -5,3         |
| <b>Uponor Group</b>  | <b>14,2</b> | <b>40,6%</b>  | <b>10,1</b> | <b>91,2</b>  |

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## Interim January – March 2002

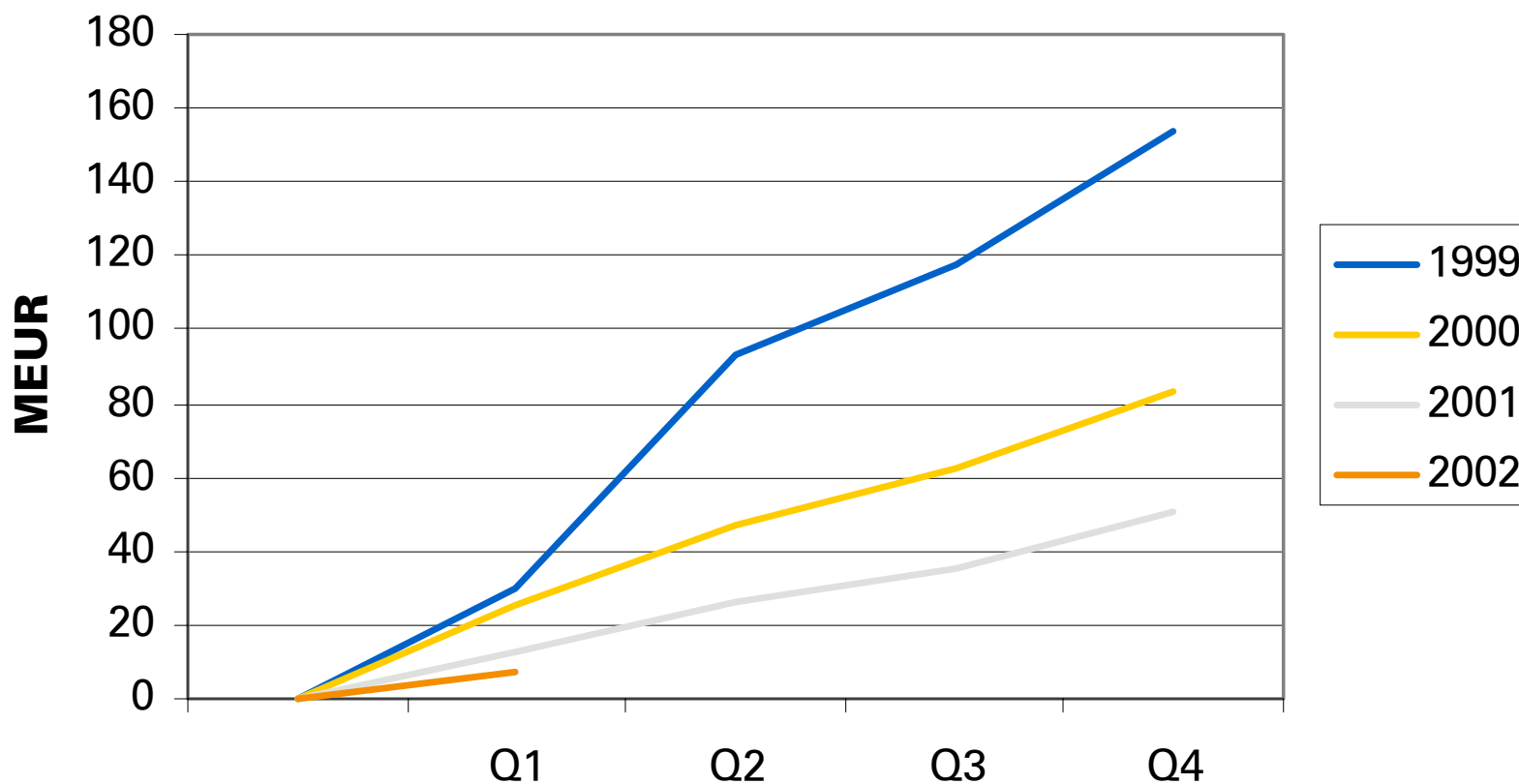
### Balance sheet

| <b>MEUR</b>                          | 31 March<br>2002 | 31 March<br>2001 | 31 Dec.<br>2001 |
|--------------------------------------|------------------|------------------|-----------------|
| Intangible assets                    | 112,4            | 121,3            | 114,8           |
| Tangible assets                      | 467,5            | 499,9            | 486,5           |
| Securities and long-term investments | 34,6             | 30,4             | 34,9            |
| Stocks                               | 183,3            | 196,2            | 173,0           |
| Cash in hand and banks               | 16,1             | 32,6             | 31,1            |
| Other current assets                 | 257,0            | 271,3            | 232,7           |
| Shareholders' equity                 | 503,9            | 507,1            | 525,6           |
| Minority interest                    | 7,8              | 8,4              | 8,4             |
| Obligatory provisions                | 11,2             | 14,7             | 12,1            |
| Long-term liabilities                | 220,7            | 286,1            | 231,7           |
| Short-term liabilities               | 327,3            | 335,4            | 295,2           |
| Balance Sheet total                  | 1.070,9          | 1.151,7          | 1.073,0         |

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# Interim January – March 2002

## Investment activity



### January - March 2002

|                   |      |
|-------------------|------|
| Gross investments | 8,0  |
| Disposals at book | 14,2 |
| Depreciation      | 18,8 |

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# Interim January – March 2002

## Abridged cash flow

### Cash flow from operations

|                               |       |      |
|-------------------------------|-------|------|
| Profit for the period         | +6,1  |      |
| Sales gains                   | -4,5  |      |
| Depreciation                  | +18,8 |      |
| Change in net working capital | -12,3 |      |
|                               |       | +8,1 |

### Cash flow from investments

|                   |       |       |
|-------------------|-------|-------|
| Gross investments | -8,0  |       |
| Disposal proceeds | +18,6 |       |
|                   |       | +10,6 |

### Cash flow from financing

|           |       |       |
|-----------|-------|-------|
| Dividends | -29,9 |       |
| Others    | -3,8  |       |
|           |       | -33,7 |

**Change in cash** -15,0

|                       |      |       |
|-----------------------|------|-------|
| Cash 31 December 2001 | 31,1 |       |
| Cash 31 March 2002    | 16,1 |       |
|                       |      | -15,0 |



## Interim January – March 2002

### Financial indicators

|                         | <b>1-3<br/>2002</b> | <b>1-3<br/>2001</b> | <b>1-12<br/>2001</b> |
|-------------------------|---------------------|---------------------|----------------------|
| Earnings per share, EUR | 0,16                | 0,11                | 1,15                 |
| Return on equity, %     | 4,7                 | 3,1                 | 8,2                  |
| Return on investment, % | 7,2                 | 4,4                 | 11,3                 |
| Solvency ratio, %       | 47,8                | 44,8                | 49,8                 |
| Gearing                 | 58,0                | 66,0                | 53,0                 |
| Equity per share, EUR   | 13,47               | 13,31               | 14,06                |

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# **Business update**

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**Jarmo Rytilahti, CEO**

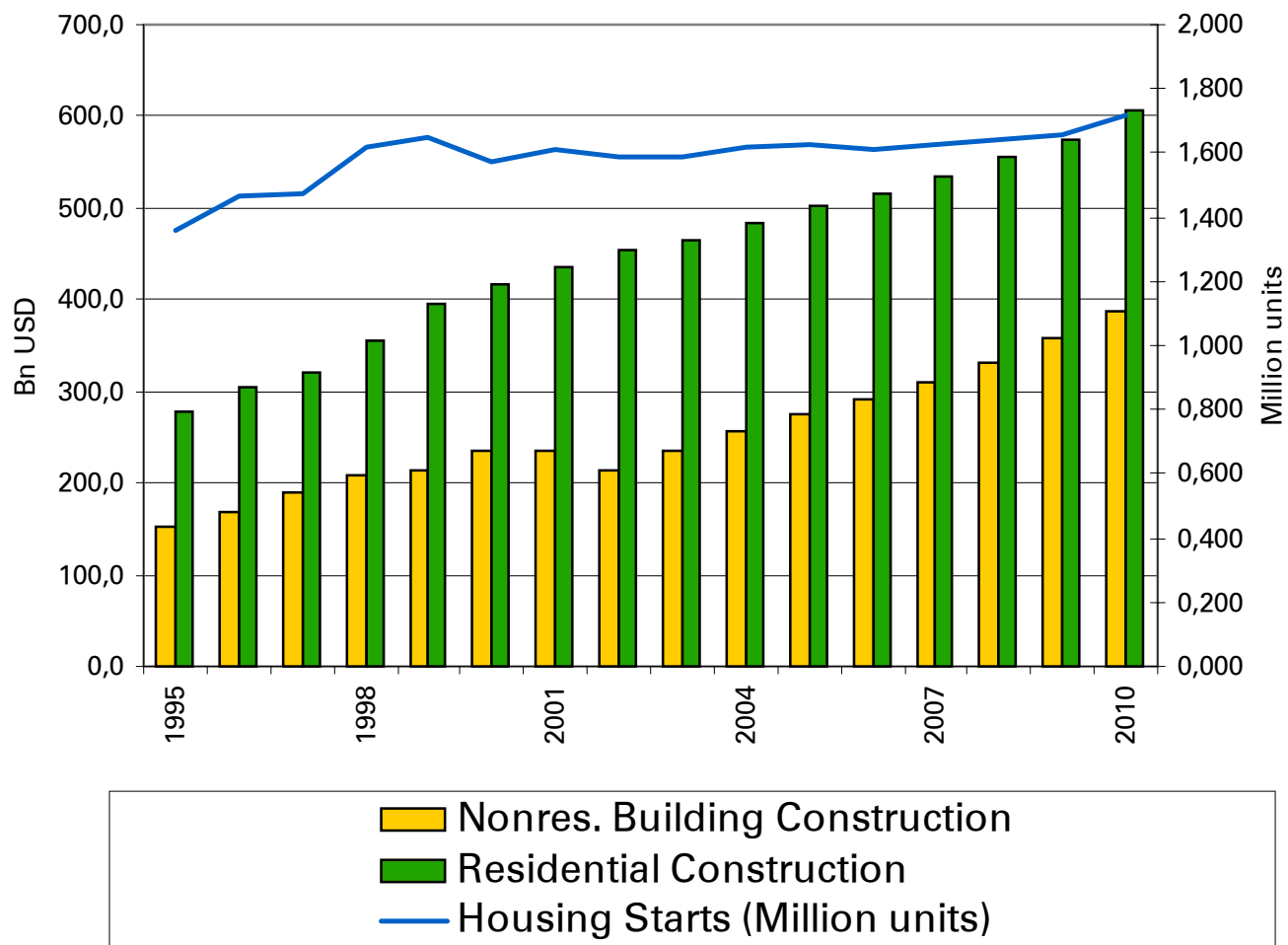
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## Markets

- Housing Solutions Europe:
  - German construction activity level low
  - Scandinavian development satisfactory
  - Iberia still on high level
- Housing Solutions North America:
  - residential construction demand continues strong
  - penetration develops positively
- Infrastructure and Environment Europe:
  - Nordic area stable
  - UK develops positively vs. last year with large utility contracts in full speed
  - some growth in Iberia with new products
  - telecoms very weak
- Municipal Americas:
  - recent increases in resin prices have improved margins
  - Argentina problematic with paralysed economy
    - exposure not that big

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# U.S. housing investment forecast



Source: DRI-WEFA U.S: Outlook April 2002

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## Real estate status

- Several objects divested during the first quarter :
  - retail outlets in Espoo and Kaarina
  - spinning factory in Kajaani
  - about 20 apartments and land
  - proceeds 15,2 M€ and sales gain 3,3 M€
- Net yield Q1/2002 on the properties owned was 9,1%

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## Outlook

- Housing Solutions Europe:
  - in the first three months, depressed net sales due to machine building - April net sales outlook above 2001
  - brand consolidation will bear fruit both in the market place and in our cost structure
- Housing Solutions North America
  - strong development expected to continue
- Infrastructure and Environment Europe
  - strong foothold in the Nordics and the U.K. utility business
  - consolidation of the Central European businesses will support result improvement from last year
- Municipal Americas:
  - results improve to a positive due to significant internal restructuring and favourable market cycle
  - efforts to divest continue

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