uponor

Mostra Convegno trade show in Milan, Italy

INTERIM REPORT 2012
27 April 2012

Q1

INTERIM REPORT JANUARY – MARCH 2012

Uponor grasped opportunities in the low season

- Full impact of past sales price increases supported by active low season sales boosted Uponor's performance in the first quarter
- Net sales in January–March totalled €192.5 (173.2) million; an increase of 11.2%; organic growth at 8.0%
- Operating profit for January–March totalled €9.3 (3.2) million; up €6.1 million
- Earnings per share were €0.06 (0.02)
- Return on investment was 11.1% (4.7%), and gearing 79.2% (62.3%)
- Cash flow from business operations came to €-21.4 (–21.9) million
- Full-year guidance remains unchanged

(This interim report has been compiled in accordance with the IAS 34 reporting standards and is unaudited. Figures in the report are for continuing operations, unless otherwise stated.)

President and CEO Jyri Luomakoski comments on developments during the reporting period:

- I am happy to report that our intensified focus on organic growth yielded positive results. The Hewing divestment, which closed the end of the quarter, further supports our efforts to focus and leverage our supply chain.

- Last year, we introduced strong new products and tools which, together with our intense customer programmes, helped us gain market share, especially in North America and our Nordic infrastructure business, thus generating payback on investments.

- While raw material costs remained stable over the first two months, March saw another significant increase in plastic resin prices. We are determined to adjust our selling prices to compensate for this increase in input costs.

Information on the January – March 2012 interim report bulletin
The figures in brackets are the reference figures for the equivalent period in the previous year. Figures refer to continuing operations, unless otherwise stated. Any change percentages were calculated from the exact figures and not from the rounded figures published here.

Webcast and the presentation
A webcast in English from the results briefing will be broadcast on 27 April at 10:00 am EET. Connection details are available at www.uponor.com > Investors. Questions can be sent in advance to ir@uponor.com. The recorded webcast can be viewed at www.uponor.com > Investors shortly after publishing. The presentation document will be available at www.uponor.com > Investors > News & downloads.

Next interim results
Uponor Corporation will publish its Q2 interim results on 10 August 2012. During the silent period from 1 July to 10 August, Uponor will not comment on market prospects or factors affecting business and performance.

Markets

Concerns about the world economy continued to be present in the daily decision-making of governments, businesses and consumers in the first quarter of 2012. While the prevailing sentiment in key customer markets ranged from caution to mild optimism, some geographic markets faced continued decline in terms of economic, and especially, building activity.

Demand for building solutions remained stable in most central European markets. The German market, in particular, remained resilient. The residential building sector there developed positively, continuing the trends witnessed in 2011. Building activity levels in France and the UK remained rather stable. In southwest Europe, the descent in Spain and Italy continued as the prolonged downturn in the region continued to constrain investment in construction projects. The Nordic market largely remained level with the previous year. However, construction activity has recently begun to slow across the region, particularly in Sweden, following tighter government policy on new-build and renovation incentives. Demand in Russia developed strongly, especially in terms of residential construction. The situation in the Eastern European and Asian markets varied country by country.

In North America, an upward trend, the first signs of which already emerged in the second half of 2011, continued and somewhat stabilised in the United States, while development in Canada was flatter. The number of housing starts and permits for residential construction increased, both in the U.S. and in Canada, while non-residential starts and permits have been declining, both year-on-year and compared to previous months.

Demand for infrastructure solutions in the Scandinavian countries benefited from the milder winter compared to the previous year, but not so in Finland and the Baltic countries, which were burdened by high snowfall. The public sector's economic situation remained weak, but the markets stayed reasonably stable due to demand from residential and commercial building projects.

The period witnessed changes in Europe's competitive environment as a result of mergers and acquisitions, and some locally-oriented manufacturers facing financial difficulties. Overall, competition was tight and price-focussed, with an increasing number of offerings with a low-budget value proposition entering the market, particularly in the heating sector.

Net sales

Uponor's net sales developed positively, even when compared to the strong first quarter of 2011. The Group's consolidated net sales in the first quarter of 2012 were €192.5 (173.2) million, up by 11.2 per cent on a year earlier. Organic net sales growth, significantly driven by increases in sales prices, ended up at 8.0 per cent. Net sales growth was supported by sustained lively demand in some key markets, the introduction of new products, especially in the first and second quarters of 2011, as well as customers filling their inventories in anticipation of announced price increases, taking effect in March and April of the current year. Further, the top line development was positively influenced by the longer-term strategic focus on commercial projects and new target groups such as property owners and investors who are increasingly interested in the sustainable solutions that Uponor offers.

The translation impact of currencies on consolidated net sales increased net sales by €1.9m, or 1.0% per cent, in comparison to the previous year.

In Building Solutions – Europe, net sales growth was reported for Norway and Finland, largely offsetting the weakening trend in Sweden, where housing starts have plummeted following changes to regulations on loans for new homes. In Germany, net sales grew thanks to the acquisition of Zent-Frenger. Southwest Europe saw polarised development, with a drastic drop recorded in Iberia and Italy, in spite of healthy market share development, and a strong sales boost in the UK and France, in particular.

Building Solutions – North America reported healthy first quarter figures, for the first time since the beginning of the housing crisis in 2007. Both the U.S. and Canadian markets reported favourable growth numbers in local currencies.

In Building Solutions, sales of plumbing solutions, in particular, were robust both in Europe and North America, supported by major new product launches executed in 2011.

Infrastructure Solutions net sales increased by 14.3 per cent from the same period last year. A good sales performance was noted in the Baltic countries, Norway and Sweden, in particular. In addition to sales price increases, this positive development is largely attributable to well-received new products such as the IQ storm water management system and the Ultra Classic sewer system.

Breakdown of net sales by segment (January–March):

M€	1–3/ 2012	1–3/ 2011	Change
Building Solutions – Europe	133.0	122.3	8.7%
Building Solutions – North America	31.0	26.7	16.2%
(Building Solutions – North America (M$)	41.4	37.2	11.3%)
Infrastructure Solutions	29.7	26.0	14.3%
Eliminations	-1.2	-1.8	
Total	192.5	173.2	11.2%

Among the largest geographic markets in the reporting period, measured by net sales in local currency, business grew most in Norway, up 24.6 per cent. Other markets with major net sales growth were the UK (up 17.3%), USA (up 12.2%) and Sweden (up 12.0%). Net sales in Germany (including the Zent-Frenger acquisition) grew by 18.3 per cent against a background of robust year-on-year comparables. Except for Spain, all of the ten biggest countries posted higher net sales figures.

Results and profitability

Uponor’s consolidated operating profit for continuing operations in the first quarter of 2012 was €9.3 (3.2) million, representing growth of 189.3 per cent year-on-year. Operating profit margin improved to 4.8 per cent from the 1.8 per cent reported a year ago.

The improved performance in the first quarter 2012 strongly reflects the full impact of price increases implemented in various phases, since the first quarter of 2011. At the same time the continued steep upward trend in raw material prices in 2012 is not yet visible in the first quarter results. To secure future margin development and offset the impact of rising input costs, Uponor is introducing further price increases in the second quarter of 2012.

Expenses in the first quarter were somewhat higher than in the comparison period, partly acquisition and divestment related and partly coming from variable marketing costs and higher sales commissions.

In addition to the positive net sales development in several markets, Building Solutions – Europe’s operating profit benefited from the introduction of new products and tools in 2011 as well as from continued streamlining. Margins were under pressure in indoor climate as a result of a sales mix transition towards a more low-end offering, in the face of increased price competition in the market place. Profitability declined in the poorly developing markets of Iberia and Italy, partly due to the weakening of net sales, and intensified promotional activity, designed to win market share. Active measures are being taken in these markets to adjust operations to the weak market situation.

In Building Solutions - North America, operating profit clearly improved over last year, driven by increased sales, margin improvement, and effective control of overhead spending.

The operating profit of Infrastructure Solutions remained negative but improved markedly from the previous year, largely driven by volume growth and increases in sales prices.

Profit before taxes for January-March totalled €7.1 (2.1) million. The effect of taxes on profits was at €2.6 million, compared to €0.6 million in the first quarter of 2011. Profit for the first quarter of 2012 amounted to €4.5 (1.5) million.

Breakdown of operating profit by segment (January–March):

M€	1–3/ 2012	1–3/ 2011	Change
Building Solutions – Europe	11.7	6.6	78.4%
Building Solutions – North America	2.7	0.7	263.7%
(Building Solutions – North America (M$)	3.5	1.0	248.4%)
Infrastructure Solutions	-1.9	-4.0	51.3%
Others	-2.4	-1.1	
Eliminations	-0.8	1.0	
Total	9.3	3.2	189.3%

Investment and financing

Uponor's capital investments during the reporting period were mainly targeted at maintenance and development. No major new investments were initiated.

Gross investments in the first quarter came to €3.8 (2.9) million, clearly below depreciation, which amounted to €7.3 (6.9) million. Cash flow from business operations improved to €-21.4 (-21.9) million. Cash flow includes the payment of €15.0 million in taxes, surtaxes and interest, related to the decision by the Finnish tax authorities in December 2011. Cash flow from financing and thus cash flow for the period was also impacted by the dividend payment on 27 March that amounted to €25.6 (40.2) million.

Uponor continues to have a special focus on safeguarding liquidity at a good level, as well as following up accounts receivable, among other issues, in order to reduce credit risk.

Available committed bilateral credit lines amount to €190 million, none of which was in use at the end of the reporting period. At the period end, €46.0 million of commercial papers were issued under the €150 million domestic commercial paper programme.

The Group's solvency at 33.9% (39.8%) has remained at a good level. Interest-bearing liabilities were €145.3 (130.8) million. The period-end cash balance totalled €12.0 (8.5) million. Gearing rose to 79.2 (62.3) per cent.

Key events

On 24 January, Uponor announced the divestment of the shares of Hewing GmbH, a non-core OEM unit based in Ochtrup, Germany. The deal was valued at €11.9 million, and led to an impairment of €10.5 million for the financial year 2011. The deal was closed at the end of the reporting period. Contrary to what was communicated in the stock exchange release of 2 April 2012, the divested Hewing GmbH business is included in the income statement for the first quarter of 2012. The net impact on the result was immaterial in the reporting period.

On 17 February, with reference to the December 2011 taxation decisions by the Finnish tax authorities, Uponor filed an appeal against the decisions and a request for rectification to the Board of Adjustment.

On 12 March, Uponor acquired the remaining 49.7% of the shares in the German company Zent-Frenger Gesellschaft für Gebäudetechnik mbH, utilising the purchase option in the contract signed in spring 2011, when Uponor became a 50.3% shareholder in the company.

Initiatives to further develop the structure and performance of Uponor’s supply chain organisation continued actively in the first quarter. The logistics centre in Wettringen, northwestern Germany began to serve all central European countries and will be developed into a logistics hub for the entire region, delivering the complete Uponor building solutions product range. In Västerås, Sweden, construction work on Uponor’s new distribution centre has begun. The new centre, which is expected to be functional in December 2012, will represent a step forward in ensuring an efficient warehousing process and improved product availability and delivery service for building solutions customers in the Nordic markets.

Uponor continued the active promotion of new products whose market introductions began in selected markets in 2011. Uponor was also involved in several major trade shows in all key markets. During the reporting period, the RTM fitting and the Quick & Easy expansion tool launches began in Italy and France.

Annual General Meeting

Uponor’s Annual General Meeting was held in Helsinki, Finland on 15 March 2012. The AGM adopted Uponor’s parent-company and consolidated financial statements for 2011 and released the Board members and the managing director from liability. The AGM approved the proposed dividend of €0.35 per share for 2011.

Previous Board members Jorma Eloranta, Eva Nygren, Jari Paasikivi, Anne-Christine Silfverstolpe Nordin and Rainer S. Simon were re-elected. Mr Jari Rosendal (b. 1965) was elected as a new member. He is employed as Executive Vice President by the publicly listed Finnish company Outotec Oyj.

Deloitte & Touche Oy, authorised public accountants, was re-elected as the auditor of the corporation.

The Board’s annual remuneration remained unchanged. Approximately 40 per cent shall be paid in Uponor Corporation shares, bought through public trading, and the rest in cash. Additionally, a separate fee will be paid to Board members for all board and committee meetings.

The Board of Directors was authorised to buy back a maximum of 3.5 million of the company’s own shares, which equals 4.8 per cent of the total number of shares of the company. These shares may be bought back using distributable earnings from unrestricted equity. The authorisation is valid until the end of the next annual general meeting and for no longer than 18 months.

The Board of Directors was authorised to resolve on issuing a maximum of 7.2 million new shares or transferring the company's own shares. The maximum amount of issued shares is 9.8 per cent of the total number of the shares of the company. The Board of Directors is authorised to resolve on the conditions of share issuance. The authorisation is valid for three years.

The general meeting resolved to establish a permanent Nomination Board comprising shareholders or representatives of shareholders, to annually prepare the proposals for the election of the members of the Board of Directors and the remuneration of members of the Board of Directors. In the view of the Board of Directors, it is in the interests of the company and its shareholders that the biggest shareholders in the company participate in preparations for the election and remuneration of Board members.

Human resources and administration

The number of Group full time-equivalent employees in continuing operations averaged 3,156 (3,197) in January–March 2012, showing a decrease of 41 employees on the same period in 2011. At the end of the period, the Group had 3,022 (3,227) employees, a decrease of 205 from the end of the comparison period. The divestment of the German company Hewing GmbH reduced the headcount by 211 persons, while the acquisition of Zent-Frenger Gesellschaft für Gebäudetechnik mbH on 11 April 2011 added 91 persons to the total.

Mr William (Bill) Gray (46), Bachelor of Commerce (Finance and Marketing) and Arts, a Canadian and British citizen, was appointed President, Uponor North America and a member of the Executive Committee at Uponor Group, effective from 15 February 2012.

On 2 March 2012, the Board of Directors approved the establishment of a new long-term share-based incentive plan to be offered to the key management of the company. This plan covers the years 2012-2014, and a maximum of twelve members of the Group's key management will be included.

In its meeting subsequent to the AGM, the Board of Directors elected Jari Paasikivi as Chairman and Jorma Eloranta as Deputy Chairman of the Board. The Board decided to establish an Audit Committee and a Remuneration Committee, both with the same charter as before. The members of the Audit Committee are Jorma Eloranta (chairman), Eva Nygren and Jari Rosendal. The members of the Remuneration Committee are Jorma Eloranta, Jari Paasikivi (chairman) and Anne-Christine Silfverstolpe Nordin.

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 report period.

The number of Uponor shares traded on the NASDAQ OMX Exchange in Helsinki in the reporting period was 7.8 (9.6) million shares, totalling €66.3 (119.9) million. The market value of the share capital at the end of the period was €0.6 (0.9) billion, and the number of shareholders was 19,115 (21,786).

The Board of Directors decided on a directed share issue, for the transfer of 19,622 shares to current and former Executive Committee members under the 2007-2011 management incentive programme, as specified in the rules of the programme. The programme was part of Uponor's total management remuneration package, and the remuneration was based on the cumulative development of Uponor Corporation's EBITA during 2007-2011. Once completed, the directed issue will reduce the number of own shares held by the company, currently at 160,000, to 140,378 shares.

Events after the period under review

The sales price related to the divestment of Hewing GmbH was received on 2 April 2012.

Short-term outlook

Turbulence in global economic development and financial stability, especially concerning Europe, has continued into the first quarter and beyond. This has, and will continue to have, a detrimental impact on European governments, businesses and individuals, affecting their longer-term planning and decision-making with regard to building and construction investments, particularly in the case of southern European countries. In contradiction to this, the development of some stronger European economies and the United States has been more robust, enabling them to continue to outperform the countries in economic difficulties.

The last few years have been difficult for the building and construction segments of the market in all geographies in which Uponor operates, and visibility remains weak. Uponor therefore continues to prepare itself for a lengthy period of low activity, with limited expectations of market growth.

The management is keeping a sharp eye on actions required to improve the company's focus, cost efficiency and cash flow. Meanwhile, it is speeding up organic growth by using Uponor assets, such as its internationally strong brand name, powerful partner network and strong range of new product and system innovations in customer satisfaction and conversion.

Uponor repeats its guidance for the year 2012, announced on 10 February 2012:
Uponor's net sales are expected to grow organically from 2011 and operating profit is expected to exceed €50 million. The Group's net investment in fixed-assets is not expected to exceed depreciation.

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 section 'Key risks associated with business' in the Financial Statements 2011.

Uponor Corporation
Board of Directors

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Uponor is a leading international provider of plumbing and indoor climate solutions for residential and commercial building markets across Europe and North America. In Northern Europe, Uponor is also a prominent supplier of infrastructure pipe systems. Uponor offers its customers solutions that are sustainable and safe and reliable to own and operate. The Group employs approx. 3,200 persons, in 30 countries. In 2011, Uponor's net sales totalled ca €800 million. Uponor Corporation is listed on NASDAQ OMX Helsinki in Finland. www.uponor.com.

INTERIM REPORT January – March 2012
Table part

This interim report has been compiled in accordance with the IAS 34 reporting standards and it is unaudited. The figures in brackets are the reference figures for the equivalent period in 2011. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

CONDENCED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-3/2012	1-3/2011	1-12/2011
Continuing operations			
Net sales	192.5	173.2	806.4
Cost of goods sold	117.9	108.7	513.5
Gross profit	74.6	64.5	292.9
Other operating income	0.3	0.0	1.4
Dispatching and warehousing expenses	7.8	7.4	31.1
Sales and marketing expenses	41.2	39.3	157.9
Administration expenses	12.2	10.9	43.0
Other operating expenses	4.4	3.7	26.9
Operating profit	9.3	3.2	35.4
Financial expenses, net	2.3	1.1	17.7
Share of results in associated companies	0.1	-	-
Profit before taxes	7.1	2.1	17.7
Income taxes	2.6	0.6	15.8
Profit for the period from continuing operations	4.5	1.5	1.9
Discontinued operations			
Profit for the period from discontinued operations	0.0	0.0	-0.3
Profit for the period	4.5	1.5	1.6
Other comprehensive income			
Translation differences	-1.3	-4.0	2.0
Cash flow hedges	-0.2	-0.5	-2.8
Net investment hedges	0.2	1.0	-4.6
Other comprehensive income for the period	-1.3	-3.5	-5.4
Total comprehensive income for the period	3.2	-2.0	-3.8
Profit/loss for the period attributable to			
- Equity holders of parent company	4.5	1.5	2.5
- Non-controlling interest	-	-	-0.9
Comprehensive income for the period attributable to			
- Equity holders of parent company	3.2	-2.0	-2.9
- Non-controlling interest	-	-	-0.9
Earnings per share, €	0.06	0.02	0.03
- Continuing operations	0.06	0.02	0.03
- Discontinued operations	0.00	0.00	0.00
Diluted earnings per share, €	0.06	0.02	0.03
- Continuing operations	0.06	0.02	0.03
- Discontinued operations	0.00	0.00	0.00

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	31.3.2012	31.3.2011	31.12.2011
Assets			
Non-current assets			
Property, plant and equipment	153.9	165.5	161.6
Intangible assets	96.3	96.9	97.3
Securities and long-term investments	1.1	8.2	2.8
Deferred tax assets	12.9	13.1	13.2
Total non-current assets	264.2	283.7	274.9
Current assets			
Inventories	91.7	93.7	81.8
Accounts receivable	134.9	125.6	106.6
Other receivables	39.2	16.5	22.8
Cash and cash equivalents	12.0	8.5	29.1
Total current assets	277.8	244.3	240.3
Total assets	542.0	528.0	515.2
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company	183.5	210.0	209.2
Non-controlling interest	-	-	2.9
Total equity	183.5	210.0	212.1
Non-current liabilities			
Interest-bearing liabilities	110.4	43.4	110.4
Deferred tax liability	11.7	9.3	12.2
Provisions	4.0	3.9	5.2
Employee benefits and other liabilities	16.7	22.3	21.3
Total non-current liabilities	142.8	78.9	149.1
Current liabilities			
Interest-bearing liabilities	46.9	95.9	2.8
Provisions	15.6	7.6	16.8
Accounts payable	56.3	52.5	45.7
Other liabilities	96.9	83.1	88.7
Total current liabilities	215.7	239.1	154.0
Total equity and liabilities	542.0	528.0	515.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-3/2012	1-3/2011	1-12/2011
Cash flow from operations			
Net cash from operations	16.4	12.9	66.8
Change in net working capital	-18.6	-29.4	12.4
Income taxes paid	-15.6	-5.5	-16.5
Interest paid	-3.9	-0.3	-6.3
Interest received	0.3	0.4	2.0
Cash flow from operations	-21.4	-21.9	58.4
Cash flow from investments			
Proceeds from disposal of subsidiaries and businesses *	-3.8	-	-
Acquisition of subsidiary shares	-6.2	-	-6.4
Proceeds from disposal of shares	-	-	0.1
Purchase of fixed assets	-3.8	-2.9	-24.0
Proceeds from sale of fixed assets	0.0	0.1	1.1
Dividends received	-	-	0.0
Loan repayments	-	0.0	0.1
Cash flow from investments	-13.8	-2.8	-29.1
Cash flow from financing			
Borrowings of debt	46.0	42.7	162.1
Repayment of debt	-1.0	-	-113.7
Change in other short-term loan	-0.9	18.9	-18.3
Dividends paid	-25.6	-40.2	-40.2
Payment of finance lease liabilities	-0.4	-0.1	-2.0
Cash flow from financing	18.1	21.3	-12.1
Conversion differences for cash and cash equivalents	0.0	0.0	0.0
Change in cash and cash equivalents	-17.1	-3.4	17.2
Cash and cash equivalents at 1 January	29.1	11.9	11.9
Cash and cash equivalents at end of period	12.0	8.5	29.1
Changes according to balance sheet	-17.1	-3.4	17.2

*) The above presented proceeds from disposal of subsidiaries and businesses equals to the cash and cash equivalents disposed of. The sales price was booked as other current receivable at the end of the period. The total cash flow effect from the sale of the subsidiary realises in the second quarter.

STATEMENT OF CHANGES IN EQUITY

M€	A	B	C	D*	E	F	G	H	I
Balance at 1 Jan 2012	146.4	50.2	0.2	-12.5	-1.2	26.1	209.2	2.9	212.1
Total comprehensive income for the period			-0.2	-1.1		4.5	3.2		3.2
Dividend paid (€0.35 per share)						-25.6	-25.6		-25.6
Share-based incentive plan						0.0	0.0		0.0
Acquisition of non-controlling interest						-3.3	-3.3	-2.9	-6.2
Other adjustments			0.0			0.0	-		-
Balance at 31 March 2012	146.4	50.2	0.0	-13.6	-1.2	1.7	183.5	-	183.5
Balance at 1 Jan 2011	146.4	50.2	2.9	-9.8	-1.2	63.6	252.1	-	252.1
Total comprehensive income for the period			-0.5	-3.0		1.5	-2.0		-2.0
Dividend paid (€0.55 per share)						-40.2	-40.2		-40.2
Share based incentive plan						0.1	0.1		0.1
Other adjustments			0.0			0.0	0.0		0.0
Balance at 31 March 2011	146.4	50.2	2.4	-12.8	-1.2	25.0	210.0	-	210.0

*) Includes a €-12.8 (-7.4) million effective part of net investment hedging.
Change in presentation Q4/2011: net investment hedging related foreign exchange gains/losses have been reclassified from hedge reserves to translation differences. Comparative data for Q1/2011 has been changed accordingly.

A – Share capital
B – Share premium
C – Other reserves
D* – Translation reserve
E – Treasury shares
F – Retained earnings
G – Equity attributable to owners of the parent company
H – Non-controlling interest
I – Total equity

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 2011.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	1-3/2012	1-3/2011	1-12/2011
Gross investment	3.8	2.9	24.0
- % of net sales	2.0	1.7	3.0
Depreciation	7.3	6.9	29.4
Write downs	-	-	10.5
Book value of disposed fixed assets	0.9	0.1	1.8

PERSONNEL

Converted to full time employees	1-3/2012	1-3/2011	1-12/2011
Average	3,165	3,197	3,288
At the end of the period	3,022	3,227	3,228

OWN SHARES	31.3.2012	31.3.2011	31.12.2011
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

		1-3/2012			1-3/2011	
M€	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions – Europe	132.8	0.2	133.0	122.2	0.1	122.3
Building Solutions - North America	31.0	-	31.0	26.7	-	26.7
Infrastructure Solutions	28.7	1.0	29.7	24.3	1.7	26.0
Eliminations	-	-1.2	-1.2	-	-1.8	-1.8
Total	192.5	-	192.5	173.2	-	173.2

		1-12/2011	
M€	External	Internal	Total
Segment revenue, continuing operations			
Building Solutions - Europe	543.2	0.7	543.9
Building Solutions - North America	121.5	-	121.5
Infrastructure Solutions	141.7	8.0	149.7
Eliminations	-	-8.7	-8.7
Total	806.4	-	806.4

M€	1-3/2012	1-3/2011	1-12/2011
Segment result, continuing operations			
Building Solutions - Europe	11.7	6.6	41.7
Building Solutions - North America	2.7	0.7	10.1
Infrastructure Solutions	-1.9	-4.0	-2.4
Others	-2.4	-1.1	-14.0
Eliminations	-0.8	1.0	0.0
Total	9.3	3.2	35.4
Segment depreciation and impairments, continuing operations			
Building Solutions - Europe	3.2	3.2	13.0
Building Solutions - North America	1.4	1.0	5.5
Infrastructure Solutions	1.5	1.5	6.2
Others	1.1	1.0	14.7
Eliminations	0.1	0.2	0.5
Total	7.3	6.9	39.9
Segment investments, continuing operations			
Building Solutions – Europe	2.1	1.6	13.6
Building Solutions - North America	0.8	0.5	3.6
Infrastructure Solutions	0.6	0.7	5.4
Others	0.3	0.1	1.4
Total	3.8	2.9	24.0

M€	31.3.2012	31.3.2011	31.12.2011
Segment assets			
Building Solutions - Europe	417.7	409.8	433.9
Building Solutions - North America	124.1	120.7	130.0
Infrastructure Solutions	95.6	91.4	83.0
Others	278.7	272.3	283.7
Eliminations	-374.1	-366.2	-415.4
Total	542.0	528.0	515.2
Segment liabilities			
Building Solutions - Europe	300.1	302.1	296.7
Building Solutions - North America	83.5	69.4	89.6
Infrastructure Solutions	72.7	65.9	60.2
Others	300.0	275.6	285.8
Eliminations	-397.8	-395.0	-429.2
Total	358.5	318.0	303.1

The presentation of segment assets and liabilities was changed between the segment Others and Eliminations due to the change of elimination logic of internal receivables and liabilities. The comparable data have been adjusted accordingly.

	1-3/2012	1-3/2011	1-12/2011
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,225	2,211	2,305
Building Solutions - North America	408	411	409
Infrastructure Solutions	475	517	516
Others	57	58	58
Total	3,165	3,197	3,288

Reconciliation

M€	1-3/2012	1-3/2011	1-12/2011
Segment result, continuing operations			
Segment result, total	9.3	3.2	35.4
Financial expenses, net	2.3	1.1	17.7
Share of results in associated companies	0.1	-	-
Group profit before taxes	7.1	2.1	17.7

The segment result equals to operating profit presented in the condensed consolidated statement of comprehensive income.

CONTINGENT LIABILITIES

M€	31.3.2012	31.3.2011	31.12.2011
Group:			
Commitments of purchase of property, plant and equipment	0.8	-	0.6
Pledges			
- on own behalf	0.0	0.0	0.0
Mortgages			
- on own behalf	0.1	-	0.1
Guarantees			
- on own behalf	-	0.1	-
- on behalf of others	5.7	7.0	5.9
Parent company:			
Guarantees			
- on behalf of a subsidiary	20.1	12.0	19.8
- on behalf of others	-	6.9	-
OPERATING LEASE COMMITMENTS	31.3	27.6	35.6

DERIVATIVE CONTRACTS

M€	Nominal value 31.3.2012	Fair value 31.3.2012	Nominal value 31.3.2011	Fair value 31.3.2011	Nominal value 31.12.2011	Fair value 31.12.2011
Currency derivatives						
- Forward agreements	292.9	-2.0	167.5	-1.2	212.8	-2.5
- Currency options, bought	-	-	13.6	0.0	14.2	0.0
- Currency options, sold	-	-	14.3	0.0	14.2	0.0
Interest derivates						
- Interest rate swaps	50.0	-2.0	-	-	50.0	-1.8
Commodity derivatives						
- Forward agreements	6.1	-0.7	5.8	0.9	5.8	-0.5

BUSINESS COMBINATIONS

The final acquisition calculation of acquisition 50.3% majority stake of Zent-Frenger Gesellschaft für Gebäudetechnik mbH is presented below.

M€	
Recognised amounts of identifiable net assets acquired and liabilities assumed	
Non-current assets	3.8
Inventories	1.0
Accounts receivable and other receivables	5.9
Cash and cash equivalents	6.4
Total assets	17.1
Non-current interest-bearing liabilities	4.2
Deferred tax liability	0.1
Accounts payable and other liabilities	5.1
Total liabilities	9.4
Net assets	7.7
Acquisition cost	6.4
Non-controlling interest	3.8
Goodwill	2.6

ACQUISITION OF NON-CONTROLLING INTEREST

Uponor acquired the remaining 49.7% of the shares in Zent-Frenger Gesellschaft für Gebäudetechnik mbH on 12 March 2012. The cash consideration paid was €6.2 million. The acquisition of non-controlling interest has been recorded directly to equity according to IAS 27 and its effect in the retained earnings was €-3.3 million.

DISPOSAL OF SUBSIDIARIES

Uponor closed the divestment of Hewing GmbH at the end of the reporting period. The sales price was booked as other current receivable based on the preliminary closing statement. The net impact on the result was immaterial.

DISCONTINUED OPERATIONS

In 2012 and 2011, the discontinued operations include costs related to the Irish infrastructure business sold in 2008. These costs incurred mainly from administrative and operative costs.

M€	1-3/2012	1-3/2011	1-12/2011
Expenses	0.0	0.0	0.3
Profit before taxes	0.0	0.0	-0.3
Income taxes	-	-	-
Profit after taxes	0.0	0.0	-0.3
Profit for the period from discontinued operations	0.0	0.0	-0.3
Cash flow from discontinued operations			
Cash flow from operations	-0.2	-0.2	-0.3

RELATED-PARTY TRANSACTIONS

M€	1-3/2012	1-3/2011	1-12/2011
Continuing operations			
Purchases from associated companies	0.4	0.4	1.7
Balances at the end of the period			
Accounts receivable and other receivables	0.0	-	0.0
Accounts payables and other liabilities	0.2	0.1	0.2

KEY FIGURES

	1-3/2012	1-3/2011	1-12/2011
Earnings per share, €	0.06	0.02	0.03
- continuing operations	0.06	0.02	0.03
- discontinued operations	0.00	0.00	0.00
Operating profit (continuing operations), %	4.8	1.8	4.4
Return on equity, % (p.a.)	9.0	2.6	0.7
Return on investment, % (p.a.)	11.1	4.7	11.0
Solvency ratio, %	33.9	39.8	41.2
Gearing, %	79.2	62.3	39.3
Net interest-bearing liabilities	145.3	130.8	84.1
Equity per share, €	2.51	2.87	2.86
- diluted	2.51	2.87	2.86
Trading price of shares			
- low, €	6.82	11.01	6.03
- high, €	9.40	14.25	14.25
- average, €	8.50	12.47	9.57
Shares traded			
- 1,000 pcs	7,811	9,619	38,155
- M€	66	120	366

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, %

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

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

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