Uponor Corporation Stock exchange release 3 Aug. 2006 11:00

JANUARY-JUNE 2006: UPONOR REPORTS CONTINUED STRONG DEVELOPMENT

- Net sales and results remained strong in the second quarter
- Net sales (January-June) EUR 551.4 (493.7) million, a change of +11.7%
- Operating profit (January-June) EUR 61.7 (50.0) million, a change of +23.5%
- Cash flow before financing EUR 14.8 (10.7) million
- Earnings per share were EUR 0.57 (0.46)
- Return on investment at 29.2% (22.8%), solvency ratio at 57.5% (55.3%)

CEO JAN LÅNG COMMENTS ON THE FINANCIAL PERFORMANCE FOR THE PERIOD:

- The strong first quarter development has continued in the second quarter, and, in a solid demand situation, we exceeded our growth and profitability targets in all markets, except in North America.

- In North America, our net sales continued to grow in spite of a slight decline in construction industry demand. On the other hand, the profitability level resulting from the weakening of the profit margin was a disappointment.

- The price of copper has remained high thus speeding up the migration of installers to the use of plastic and composite pipe systems. This has supported the good success of Uponor's plumbing systems.

- The restructuring of decentralised business units into a unified company we launched over two years ago reached an important milestone in July when the new enterprise resource planning (ERP) system was implemented in the first site in Germany. Thanks to the strong commitment and efforts demonstrated by those involved, the project is advancing as planned.

PRESENTATION MATERIAL AND TELECONFERENCE:

Following the release of this report, the presentation material for the interim report shall be available at http://www.uponor.com/investors under 'IR material'.

Uponor will hold a teleconference in English for equity analysts today, at 5:00pm Finnish time (London 3:00pm and New York 10:00am) and those who would like to participate should call (using a DTMF telephone) +358 (0)9 8248 5765, pin code 2993. Those participating are requested to introduce themselves when presenting any questions.

INTERIM REPORT FOR JANUARY-JUNE 2006 (IFRS):

MARKETS

During the second quarter, the construction industry conditions in Uponor's main markets have developed in line with expectations and demand has remained stable, with the exception of North America. After a long period of sustained high activity there, construction activity has slowed down slightly during the beginning of the year while, at the same time, rising interest rates and the high price level of housing have weakened demand.

In Central Europe demand has picked up, and some positive signs have also been observed in the significant German markets.

In the Nordic countries, the demand for housing solutions has stayed on a good level, while also the markets for municipal infrastructure solutions have remained unchanged.

In Europe – West, East, South Region, construction industry demand has been rather active. The highest rise in demand has been recorded in Russia, the Baltic countries, and the UK. Demand has also remained high in Spain.

NET SALES

Uponor's consolidated net sales for April-June totalled EUR 300.9 (276.1) million, which exceeded the net sales of the second quarter of 2005 by 9.0 per cent.

The net sales of Uponor Central Europe grew clearly when compared to the relatively weak start in the year 2005. Areas outside of Germany – the Benelux countries and Poland especially – accounted for the majority of the growth. The decline of net sales no longer continued in Germany, where a three-percentage point VAT increase is being anticipated to come into effect next year. Among the product groups, the demand for plumbing systems in particular remained high as a result of their increasing market penetration.

In the Nordic countries, the sales of housing solutions in particular increased in a favourable market environment. Investments in training and technical customer service were factors boosting the growth of net sales.

In Europe – West, East, South, the growth in net sales stemmed from several factors. The most important amongst these included rightly targeted investments in growing markets, strong growth in the market share of plastic and composite pipe systems, as well as smooth operation of the distribution channel and logistics. The new threaded plastic fittings, initially launched in the Iberian markets, turned out successful. In the UK and Ireland, the growth in net sales of municipal infrastructure solutions was supported by market stability created by multi-year supply contracts, as well as price increases compensating the rise in material costs.

In North America, the growth in net sales clearly slowed down during the second quarter. Good sales of plumbing systems generated most of the growth. The growth of underfloor heating system sales was adversely affected by the long-anticipated drop in housing starts. Moreover, also the distribution channel has anticipated the market decline by lowering their stocks.

Net sales by segment, April-June:

MEUR	4-6 2006	4-6 2005	Change
Central Europe	85.9	74.8	+14.8%
Nordic	104.1	96.8	+7.7%
Europe – West, East, South	99.5	86.7	+14.8%
North America	46.4	44.6	+3.9%
(North America, MUSD	58.9	55.9	+5.2%)
Other	-	1.2	
Eliminations	-35.0	-28.0	
Total	300.9	276.1	+9.0%

January–June net sales totalled EUR 551.4 (493.7) million, representing a growth of 11.7%. The growth rate of net sales slowed down slightly as compared to the first quarter of the year, but exceeded the long-term target level.

Net sales by segment, January-June:

MEUR	1-6 2006	1-6 2005	Change
Central Europe	159.5	143.3	+11.3%
Nordic	178.6	162.8	+9.8%
Europe – West, East, South	187.2	157.5	+18.9%
North America	91.1	77.6	+17.3%
(North America, MUSD	112.6	99.0	+13.6%)
Other	-	3.4	
Eliminations	-65.0	-50.9	
Total	551.4	493.7	+11.7%

RESULTS AND PROFITABILITY

Uponor's operating profit during the second quarter improved from the comparison period. Consolidated operating profit for April-June totalled EUR 39.9 (36.3) million, representing a growth of 9.9%. Profitability also improved slightly, as the profit margin rose to 13.3 (13.2) per cent.

The operating profit of Uponor Central Europe improved considerably, mainly due to the leverage effect of increased net sales in sales and marketing costs among other things, and the decrease in production costs. Correspondingly, increased net sales and good cost control also contributed to the improved operating profit for Uponor Nordic, along with price increases with respect to infrastructure solutions in particular compensating for increases in material costs. In Uponor Europe – West, East, South, the favourable operating profit development was burdened by the divestment of sewer and rainwater pipe business in Germany and the Czech Republic, which caused a loss of EUR 2.6 million.

In North America, Uponor's profitability declined considerably in the second quarter, even though the distortions in the sales mix in the first quarter could for the most part be corrected. The weak development in the second quarter mainly resulted from increased rebates to distributors and strong promotional programmes to builders and installers. This resulted in increased accruals related to volume discounts. Both of these had a negative impact on the second quarter earnings of 2006. A programme of corrective actions has been initiated.

Operating profit by segment, April-June:

MEUR	4-6 2006	4-6 2005	Change
Central Europe	13.7	9.1	+52.3%
Nordic	18.3	16.0	+14.0%
Europe – West, East, South	7.8	8.2	-5.5%
North America	2.4	6.0	-60.8%
(North America, MUSD	3.0	7.6	-60.9%)
Other	-3.1	-3.1	
Eliminations	0.8	0.1	
Total	39.9	36.3	+9.9%

Due to the strong first quarter, the operating profit for the first half of the year amounted to EUR 61.7 (50.0), up 23.5% on the previous year.

Operating profit by segment, January-June:

MEUR	1-6 2006	1-6 2005	Change
Central Europe	23.5	16.5	+42.8%
Nordic	24.5	19.7	+24.1%
Europe – West, East, South	14.8	10.6	+38.9%
North America	4.1	8.4	-51.7%
(North America, MUSD	5.0	10.7	-53.2%)
Other	-4.1	-3.7	
Eliminations	-1.1	-1.5	
Total	61.7	50.0	+23.5%

Consolidated profit before taxes for January-June came to EUR 60.6 (49.3) million, up 22.9% on the previous year. Taxes amounted to EUR 18.7 (15.3) million, with the tax rate remaining at 31.0 (31.0) per cent.

The result for the financial period was EUR 41.9 (34.0) million.

Earnings per share (diluted and undiluted) were EUR 0.57 (0.46). Equity per share (diluted and undiluted) was also almost at the same level as in the previous year, or EUR 5.32 (5.17).

CASH FLOW, INVESTMENT AND FINANCING

As a result of the strong net sales development, consolidated cash flow before financing increased to EUR 14.8 (10.7) million.

The amount of investments remained roughly at the same level as before. The largest individual investments included the development of enterprise resource planning (ERP) system in Europe, expansion of manufacturing and office premises in the United States, and production investments in Nordic plants.

The gross investments totalled EUR 19.0 (18.9) million, or 3.4 (3.8) per cent of net sales.

Solvency ratio rose slightly, to 57.5 (55.3) per cent, while gearing ratio fell to 7.6 (18.7) per cent. Net interest-bearing liabilities decreased to EUR 29.7 (71.5) million due to strong profit development and improved use of capital tied up in inventories.

Return on investment (ROI) grew to 29.2 (22.8) percent and return on equity (ROE) to 20.7 (17.4) percent.

KEY EVENTS

Overview:
Uponor's core strategy rests on three main pillars: growth, corporate brand, and operational excellence. During the report period, the company made progress in each one of these sectors.

The European ERP project aimed at enhancing operational efficiency has advanced according to plans. A unified ERP system is believed to provide good opportunities for further development of efficiency, whilst simultaneously facilitating smooth logistical solutions that are a prerequisite of increased net sales throughout the European markets.

The renewal of the Uponor brand has now been largely passed onto the practical level, and all Uponor-branded business operations are carried out under a uniform visual identity worldwide. Advances have also been made in putting the corporate values supporting the brand into action. The objective is to ensure that the company staff will be able to consistently operate in line with the brand promise.

Uponor has launched different projects in order to speed up business growth. By means of these projects, Uponor aims at, among other things, strengthening its market position in geographies and product segments where satisfactory market presence for Uponor has not yet been achieved. Special investments have been targeted to expanding the Uponor offering of services in the high-rise building market segment, in which interest towards plastic and composite plumbing systems and radiant underfloor heating systems is starting to awaken. During the report period, a decision was also made about the development of a Group-wide key account management programme.

Uponor Central Europe:
In Uponor Central Europe, the second quarter activities largely focused on the development and implementation of the pan-European ERP system, as the first region within the company. The new ERP system was introduced in Norderstedt, Germany, at the beginning of July.

Uponor Nordic:
In Uponor Nordic Region, production capacity expansions were carried out both in Finland and in Sweden, and steps were taken to enhance warehousing operations. In accordance with the brand strategy, different Uponor companies that earlier operated under different names in Sweden and Denmark were merged, and now there is just one Uponor company operating in each country.

Uponor Europe – West, East, South:
During the report period, an important target was reached when, at the beginning of June, Uponor announced the renewal of its contract with National Grid (UK) on the supply of gas pipes and fittings. The new seven-year contract has a potential one-year extension. The contract is worth an estimated EUR 25 million a year. National Grid (previously Transco and British Gas) owns and operates gas and electricity transmission and gas distribution networks in the UK and US.

Another important event was the deal closed on 30 May, where Uponor divested its non-core sewer and rainwater pipe business in Germany and the Czech Republic. The deal included the sale of the business and assets of Uponor Anger GmbH and the sale of the share capital of Uponor Czech s.r.o. to the German company, Maincor GmbH & Co KG. The divested business had annual net sales of EUR 25 million in 2005, and it employed around 80 people.

Marketing in Russia was strengthened by opening a new sales office in Yekaterinburg to answer for customer service in the important Uralian market area.

Uponor North America:
In the Uponor North America Region, the focus of activities was on improving business performance. The work on the expansion of production and office facilities was completed, and the premises already entered partial use during the period.

HUMAN RESOURCES AND ORGANISATION

The reported number of employees averaged 4,216 (4,181) during the period under review, an increase of 35 people from 2005. The period-end payroll consisted of 4,254 (4,148) employees, which is 106 more than in June 2005.

The number of personnel has decreased in Uponor Central Europe and increased in Uponor Europe – West, East, South Region and in Uponor North America.

In June, Lauri Rintanen, a member of Uponor Corporation's Executive Committee and acting as Executive Vice President, Supply Chain, resigned from the company effective end of August.

In accordance with the decision made by the Board of Directors, Uponor will comply with the Guidelines for Insiders issued by the Helsinki Stock Exchange, effective from 1 January 2006. Public information recorded in the public register of insiders required by the Guidelines is available on the company website. Company's Guidelines for Insiders, including specified trading and silent period rules, are also explained on the website.

SHARE CAPITAL AND SHARES

A total of 10.3 (5.1) million Uponor shares valued at EUR 233.9 (78.9) million were traded on the Helsinki Stock Exchange in the second quarter. The highest quotation was EUR 26.40 (16.55) and the lowest was EUR 19.12 (14.70). The market value of the share capital at the end of the period was EUR 1.5 (1.2) billion, and the number of shareholders was 6,731 (6,193).

After the registration of the reduction of share capital in March, Uponor Corporation’s share capital amounts to EUR 146,446,888 and the number of shares totals 73,223,444, each share having a nominal value of two euros.

On 16 March 2006, the AGM authorised the Board to decide, within one year, on the buyback of the company’s own shares using distributable earnings from unrestricted equity. The combined par value of the shares to be bought back, together with the par value of own shares already held by the corporation, may not exceed five per cent of the corporation’s share capital and voting rights held at the time of the buyback. The Board did not exercise the authorisation during the period under review.

The Board of Directors has no other authorisations.

The company held a total of 88,000 treasury shares in the second quarter with a combined par value of EUR 176,000. At the end of the report period, they accounted for 0.1% of the total share capital and voting rights accompanying all shares.

EVENTS AFTER THE REPORT PERIOD

At the beginning of July, Uponor launched its new pan-European ERP system on the site in Norderstedt, Germany, part of the Uponor Central Europe Region. The implementation proceeded according to plans and without any material disruptions to the business. The preparations for extended implementation in Central Europe towards the end of the year, and elsewhere in Europe during 2007, will continue as before.

An announcement was made in July, that Jim Bjork, Executive Vice President - Uponor North America, resigns after having served the company continuously since 1990. He will continue in his current duties until the end of August.

SHORT-TERM OUTLOOK

The construction markets have remained relatively stable, and no big changes are in sight for the rest of the year. The long-anticipated decline after a historically active period of new housing starts in North America has started to show in the volume of orders, and the trend is expected to prevail for the rest of the year.

No significant deviations from the previous guidance are expected in the Uponor business environment or economic outlook. According to the guidance provided, the growth in Uponor's net sales in 2006 is expected to continue similar to that in 2005, when organic growth was 7.0%. The operating profit for the entire year is expected to exceed the operating profit of 2005, which totalled EUR 123 million. It is estimated that the operating profit margin is going to reach the long-term target level of a minimum of 12%.

Uponor Corporation
Board of Directors

For further information, please contact:
Jan Lång, President and CEO, at tel. +358 40 508 7223
Jyri Luomakoski, CFO and Deputy CEO, at tel. +358 40 515 4498

Tarmo Anttila
Vice President, Communications
Tel. +358 20 129 2852

DISTRIBUTION:
Helsinki Stock Exchange
Media
www.uponor.com

INFORMATION ON THE INTERIM REPORT

Uponor Group has prepared its financial statements in compliance with the International Financial Reporting Standards, IFRS, from the beginning of the financial year 2005. In its interim reports, Uponor follows the same principles as in the annual financial statements. The accounting principles can be found from the company’s homepage at www.uponor.com and in the company's annual financial statements.

The figures in brackets in this interim report are the reference figures for the equivalent period in 2005. Unless otherwise indicated, all figures concern continuing business operations in accordance with IFRS principles. The change percentages reported in the interim report have been calculated from exact figures, and not from the rounded figures published in the interim report.

The reference figures presented for the primary comparison segment have been modified due to the structural changes in the region organisations Uponor Central Europe, Uponor Nordic and Others. The impact of these modifications on the interim report figures for 2004-05 was published in a Stock Exchange Release document on 20 April 2006.

The figures in this Interim Report have not been audited.

APPENDIX: TABLES

CONSOLIDATED INCOME STATEMENT					
MEUR	1-6/ 2006	1-6/ 2005	1-12/ 2005	4-6/ 2006	4-6/ 2005
Net sales	551.4	493.7	1,031.4	300.9	276.1
Cost of goods sold	355.2	324.7	667.6	192.1	178.1
Gross profit	196.2	169.0	363.8	108.8	98.0
Other operating income	1.2	1.6	6.2	0.9	0.4
Dispatching and warehousing expenses	12.3	11.5	23.6	6.2	6.0
Sales and marketing expenses	88.1	77.1	158.2	45.4	39.7
Administration expenses	25.1	24.1	47.7	12.4	12.5
Other operating expenses	10.2	7.9	17.5	5.8	3.9
Operating profit	61.7	50.0	123.0	39.9	36.3
Financial expenses, net	1.1	0.7	2.5	1.9	0.5
Profit before taxes	60.6	49.3	120.5	38.0	35.8
Income taxes (1)	18.7	15.3	37.8	11.7	11.1
Profit for the period	41.9	34.0	82.7	26.3	24.7
Earnings per share, EUR	0.57	0.46	1.12	0.36	0.33
Fully diluted earnings per share, EUR	0.57	0.46	1.12	0.36	0.33

CONSOLIDATED BALANCE SHEET			
MEUR	30.6. 2006	30.6. 2005	31.12. 2005
Assets			
Non-current assets			
Intangible assets	88.5	77.4	85.1
Tangible assets	205.9	208.6	214.9
Investment property	-	10.5	-
Securities and long-term investments	10.5	23.0	19.4
Deferred tax assets	18.5	21.9	18.3
Total non-current assets	323.4	341.4	337.7
Current assets			
Inventories	128.6	132.8	111.4
Accounts receivable and other receivables	221.3	210.4	165.3
Cash and cash equivalents	4.7	10.9	48.9
Total current assets	354.6	354.1	325.6
Total assets	678.0	695.5	663.3
Shareholders' equity and liabilities			
Shareholders' equity	389.4	382.9	418.4
Non-current liabilities			
Interest-bearing liabilities	21.8	23.2	19.4
Deferred tax liability	17.2	25.4	17.9
Employee benefits and other liabilities	26.8	27.2	30.4
Total non-current liabilities	65.8	75.8	67.7
Provisions	16.1	18.5	14.8
Current liabilities			
Interest-bearing liabilities	12.6	59.2	2.6
Accounts payable and other liabilities	194.1	159.1	159.8
Total current liabilities	206.7	218.3	162.4
Total shareholders' equity and liabilities	678.0	695.5	663.3

CONSOLIDATED CASH FLOW			
MEUR	1-6/ 2006	1-6/ 2005	1-12/ 2005
Net cash from operations	80.0	64.4	153.5
Change in net working capital	-41.9	-40.4	22.8
Paid income taxes	-19.8	-16.4	-16.8
Paid interest	-1.4	-1.8	-4.2
Received interest	1.3	1.5	3.3
Cash flow from operations	18.2	7.3	158.6
Cash flow from investments			
Share divestments	0.5	14.6	19.9
Investment in fixed assets	-19.0	-18.9	-49.0
Proceeds from sale of fixed assets	4.4	7.7	8.4
Loan repayments	10.7	0.0	1.9
Cash flow from investments	-3.4	3.4	-18.8
Cash flow from financing			
Repayments of debt	8.6	27.4	-46.1
Dividends	-65.8	-52.0	-52.0
Purchase of own shares	-	-4.4	-20.0
Payment of finance lease liabilities	-1.1	-1.1	-2.2
Other financial items	-0.8	0.8	0.0
Cash flow from financing	-59.1	-29.3	-120.3
Conversion differences for cash and cash equivalents	0.1	0.0	-0.1
Change in cash and cash equivalents	-44.2	-18.6	19.4
Cash and cash equivalents at 1 January	48.9	29.5	29.5
Cash and cash equivalents at end of period	4.7	10.9	48.9
Changes according to balance sheet	-44.2	-18.6	19.4

KEY FIGURES			
	1-6/ 2006	1-6/ 2005	1-12/ 2005
Earnings per share, EUR	0.57	0.46	1.12
- fully diluted	0.57	0.46	1.12
Operating profit, %	11.2	10.1	11.9
Return on equity, %, cumulative	20.7	17.4	20.3
Return on investment, %, cumulative	29.2	22.8	28.1
Solvency ratio, %	57.5	55.3	63.2
Gearing, %	7.6	18.7	-6.4
Net interest-bearing liabilities	29.7	71.5	-26.9
Equity per share, EUR	5.32	5.17	5.72
- fully diluted	5.32	5.17	5.72
Trading price of shares			
- low, EUR	18.00	13.72	13.72
- high, EUR	26.40	16.95	19.78
- average, EUR	21.81	15.48	16.39
Shares traded			
- 1000 pcs	18,557	16,957	29,090
- MEUR	405	263	478

INVESTMENTS			
MEUR	1-6/ 2006	1-6/ 2005	1-12/ 2005
Gross investment	19.0	18.9	49.0
- % of net sales	3.4	3.8	4.8
Depreciation	17.3	17.0	31.8
Book value of disposed fixed assets	4.9	6.2	8.4

PERSONNEL			
Converted to full time employees	1-6/ 2006	1-6/ 2005	1-12/ 2005
Average	4,216	4,181	4,169
At the end of the period	4,254	4,148	4,126

OWN SHARES			
	30.6. 2006	30.6. 2005	31.12. 2005
Own shares held by the company	88,000	373,900	1,248,000
- combined nominal value, EUR	176,000	747,800	2,496,000
- of share capital, %	0.1 %	0.5 %	1.7 %
- of voting rights, %	0.1 %	0.5 %	1.7 %

SEGMENT INFORMATION

Geographical segments

MEUR	1-6/ 2006			1-6/ 2005		
	External	Internal	Total	External	Internal	Total
Segment revenue						
Central Europe	131.1	28.4	159.5	121.9	21.4	143.3
Nordic	143.7	34.9	178.6	135.5	27.3	162.8
Europe - West, East, South	185.5	1.7	187.2	155.3	2.2	157.5
North America	91.1	-	91.1	77.6	-	77.6
Others	-	-	-	3.4	-	3.4
Eliminations	-	-65.0	-65.0	-	-50.9	-50.9
Total	551.4	-	551.4	493.7	-	493.7

	1-12/ 2005		
	External	Internal	Total
Segment revenue			
Central Europe	248.0	43.1	291.1
Nordic	277.4	55.2	332.6
Europe - West, East, South	322.3	3.6	325.9
North America	179.8	-	179.8
Others	3.9	-	3.9
Eliminations	-	-101.9	-101.9
Total	1,031.4	-	1,031.4

	4-6/ 2006			4-6/ 2005		
	External	Internal	Total	External	Internal	Total
Segment revenue						
Central Europe	71.2	14.7	85.9	63.2	11.6	74.8
Nordic	84.5	19.6	104.1	81.4	15.4	96.8
Europe - West, East, South	98.8	0.7	99.5	85.7	1.0	86.7
North America	46.4	-	46.4	44.6	-	44.6
Others	-	-	0.0	1.2	-	1.2
Eliminations	-	-35.0	-35.0	-	-28.0	-28.0
Total	300.9	-	300.9	276.1	-	276.1

	1-6/ 2006	1-6/ 2005	1-12/ 2005	4-6/ 2006	4-6/ 2005
Segment result					
Central Europe	23.5	16.5	34.5	13.7	9.1
Nordic	24.5	19.7	45.4	18.3	16.0
Europe - West, East, South	14.8	10.6	30.0	7.8	8.2
North America	4.1	8.4	22.7	2.4	6.0
Others	-4.1	-3.7	-8.3	-3.1	-3.1
Eliminations	-1.1	-1.5	-1.3	0.8	0.1
Total	61.7	50.0	123.0	39.9	36.3

	1-6/ 2006	1-6/ 2005	1-12/ 2005
Segment depreciation and impairments			
Central Europe	3.6	3.1	6.7
Nordic	5.3	5.4	10.3
Europe - West, East, South	4.9	4.7	9.2
North America	2.9	2.2	5.0
Others	0.3	0.5	0.9
Eliminations	0.3	0.2	-1.1
Total	17.3	16.1	31.0
Segment investments			
Central Europe	2.4	3.1	7.7
Nordic	4.6	5.5	11.8
Europe - West, East, South	3.1	3.7	9.7
North America	5.0	3.7	9.7
Others	3.9	2.9	10.1
Total	19.0	18.9	49.0
Segment assets			
Central Europe	203.6	185.8	189.6
Nordic	260.3	184.2	226.3
Europe - West, East, South	212.2	207.6	199.3
North America	107.3	101.4	120.8
Others	651.0	470.4	747.9
Eliminations	-756.4	-453.9	-820.6
Total	678.0	695.5	663.3
Segment liabilities			
Central Europe	119.0	128.1	129.0
Nordic	340.1	100.1	318.9
Europe - West, East, South	118.9	136.6	113.0
North America	48.9	50.8	59.8
Others	439.9	378.2	465.6
Eliminations	-778.2	-481.3	-841.4
Total	288.6	312.5	244.9
Segment personnel, average			
Central Europe	1,144	1,200	1,180
Nordic	1,280	1,276	1,277
Europe - West, East, South	1,128	1,070	1,076
North America	616	569	581
Others	48	66	55
Total	4,216	4,181	4,169

Business segments

			1-6/ 2006			
Segment external revenue			Housing solu-tions	Infra-structu-re solu-tions	Others	Total
Central Europe			131.1	-	-	131.1
Nordic			58.8	84.9	-	143.7
Europe - West, East, South			100.2	85.3	-	185.5
North America			91.1	-	-	91.1
Others			-	-	-	-
Total			381.2	170.2	-	551.4
			1-6/ 2005			
Segment external revenue			Housing solu-tions	Infra-structu-re solu-tions	Others	Total
Central Europe			121.9	-	-	121.9
Nordic			53.9	81.6	-	135.5
Europe - West, East, South			78.4	76.9	-	155.3
North America			77.6	-	-	77.6
Others			-	2.5	0.9	3.4
Total			331.8	161.0	0.9	493.7
			1-12/2005			
Segment external revenue			Housing solu-tions	Infra-structu-re solu-tions	Others	Total
Central Europe			248.0	-	-	248.0
Nordic			110.7	166.7	-	277.4
Europe - West, East, South			159.0	163.3	-	322.3
North America			179.8	-	-	179.8
Others			-	2.7	1.2	3.9
Total			697.5	332.7	1.2	1,031.4

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						
MEUR	Share capital	Share premium	Other reserves	Treasury shares	Accumulated conversion differences	Retained earnings
Balance at 1 January 2005 (*	149.6	33.0	7.7	-6.7	-15.5	228.9
Cancelling of shares	-0.8	0.8		5.5		-5.5
Purchase of own shares				-4.4		
Dividend paid (EUR 0.70 per share)						-52.0
Translation adjustments and other items		6.3	-3.9		8.2	-2.4
Share based incentive plan						0.1
Net profit for the period						34.0
Balance at 30 June 2005	148.8	40.1	3.8	-5.6	-7.3	203.1
Balance at 31 December 2005	148.8	40.1	3.3	-21.2	-5.4	252.8
Cancelling of shares	-2.3	2.3		19.6		-19.6
Dividend paid (EUR 0.90 per share)						-65.8
Translation adjustments and other items	-0.1	0.1	1.1		-5.2	-1.2
Share based incentive plan						0.2
Net profit for the period						41.9
Balance at 30 June 2006	146.4	42.5	4.4	-1.6	-10.6	208.3

*) Standards IAS 32 and 39 concerning financial instruments have been applied from 1 January 2005 (IFRS 1 exemption). Effect from the adoption of these standards was insignificant (7.000 EUR).

CONTINGENT LIABILITIES		
MEUR	30.6. 2006	30.6. 2005
Group:		
Pledges		
- on own behalf	-	0.6
Mortgages		
- on own behalf	2.1	3.0
Guarantees		
- on behalf of others	2.6	2.9
Leasing liabilities	21.3	22.2
Parent company:		
Guarantees		
- on behalf of a subsidiary	11.8	10.8
- on behalf of others	10.0	10.4

DERIVATIVE CONTRACTS						
MEUR	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
	30.6. 2006	30.6. 2006	30.6. 2005	30.6. 2005	31.12. 2005	31.12. 2005
Interest derivatives						
- Interest rate options, bought	-		30.0	-0.1	-	-
- Interest rate options, sold	-		30.0	-	-	-
Foreign currency derivatives						
- Forward agreements	12.5	0.2	26.7	-0.7	26.9	-0.1
Commodity derivatives						
Forward agreements	4.8	1.1	1.1	0.3	3.2	0.5
Currency swaps	4.5	0.0	3.8	-	-	-
(1) The taxes have been calculated to correspond the result for the period.						
The figures in this interim report have not been audited.						