



INTERIM REPORT 2011
10 August 2011

Q2

Uponor's strong organic growth continues

- Growth in key market areas softened, except in Germany
- Higher input prices affected both building and infrastructure solutions business
- Net sales in April–June totalled €222.6 (204.6) million; a change of 8.8%
- Operating profit for April–June totalled €15.5 (18.8) million; a change of €-3.3 million
- Net sales in January–June totalled €395.8 (362.0) million; a change of 9.4%
- Operating profit for January–June totalled €18.7 (20.3) million; a change of €-1.6 million
- January–June earnings per share amounted to €0.15 (0.12)
- January–June return on investment was 10.6% (9.0%), and gearing 67.7 (54.3)
- January–June cash flow from business operations reduced to €-32.4 (-19.0) million
- Full-year guidance remains unchanged

(This interim report has been compiled in accordance with the IAS 34 reporting standards and it is unaudited. Figures in the report are for continuing operations unless otherwise stated. The 'report period' refers to the period January–June.)

President and CEO Jyri Luomakoski comments on Uponor's performance:

- In North America, we achieved a visible profit improvement from the previous year despite the sluggish market environment, thanks to our targeted sales focus. In Germany, supported by the healthy market activity, we also recorded markedly better organic growth than anticipated.
- Uponor's financial performance in the second quarter was unsatisfactory. This was mainly due to the effects of sales price increases lagging behind the rapidly elevated material costs.
- Future macroeconomic uncertainties, together with the fact that our financial performance fell short of the targets in the first half of this year has resulted in the need for further initiatives to boost efficiencies and to adjust expenses to secure the Group's profitable growth. We shall return to these plans and measures later in the year.

Webcast and presentation material:

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

A webcast on interim results will be broadcast in English on Wednesday, 10 August 2011 at 10:00 EET. Questions for the webcast can be sent in advance to ir@uponor.com. The webcast can also be viewed at www.uponor.com > Investors > News & downloads shortly after the financial information is published.

Uponor Corporation will release its Interim Report for January–September 2011 on 26 October 2011. During a quiet period from 1 October to 26 October, Uponor will not comment on market prospects or factors affecting business and performance, nor will the company engage in discussions on events or trends related to the reporting period or the current fiscal period.

Markets

The optimism of the first quarter has been replaced in several markets with caution and reserve in the second quarter. The severe financial crisis in some European countries, the prolonged recovery of the U.S. economy and the mounting challenges in the rapidly growing markets of the developing countries have engaged the attention of consumers and businesses alike. Investments in building and construction have been cut back or delayed in an attempt to secure one's own operations in preparation for the possible scenario that the global economy will take a downward turn. Challenges in the financing of investments are also becoming more evident. The public sector has not been able to offer relief as those investment resources have been widely used in warding off the recession in the past few years.

In countries where Uponor operates, construction and demand for building solutions have mainly mirrored the overall economic development. However, the German-speaking countries of Europe together with the Benelux countries provide an exception – their economies saw lively development during the second quarter, with the building markets following suit. In the Nordic countries, the strong growth experienced in the first quarter levelled out but in most cases it remained at a good level. As expected, development in Southern and Western Europe was modest, and, with the exception of France and the UK, even declining. In North America, demand in the building markets declined slightly from the first quarter, and in the USA in particular, there was a visible difference from the strong second quarter of the previous year. In Eastern Europe, differences between the markets were notable. In Russia and the Baltic States, a clear increase in market activity could be seen against last year, while in other countries the growth of demand came to a halt and, in some, took a downward turn. In infrastructure solutions, the spring season kicked off an increase in demand, as anticipated, and the markets appeared livelier than a year ago.

Net sales

Despite the challenging market environment, Uponor managed to increase the net sales of its main product groups in several markets. This is mainly due to the recent successful launches of new solutions involving active and extensive sales promotion and the new customer segmentation approach implemented over the last couple years, which are now applied effectively in various marketing and customer services. In the building industry, energy efficiency, offering solutions that can be flexibly used for various applications, as well as sustainability of the business and its products, are gaining ground as important selection criteria. This created a beneficial atmosphere that Uponor was able to benefit from in the sales and marketing of its products and solutions in all of its markets.

Uponor's net sales in the second quarter were €222.6 (204.6) million, up by 8.8 per cent year-on-year. The Group's organic growth in net sales was at 5.7 per cent. In Building Solutions - Europe, net sales in Central Europe increased particularly due to the buoyant sales in Germany. In Germany, net sales were further increased by the acquisition of a majority shareholding in Zent-Frenger, effective since the beginning of the second quarter. In the Nordic countries, the growth in Building Solutions improved from the first quarter, but with clear differences between the countries. Net sales in Southern and Western Europe remained unchanged while the building markets in this area remained stable or saw a decline. In Eastern Europe, net sales increased in almost all markets, although variation between different countries was significant. In North America, where the building market continued to decline, net sales clearly increased in Canada but

decreased in the USA, as measured in local currency. Net sales for infrastructure solutions increased, mainly due to the increased sales in Sweden and Denmark.

Price increases implemented to cover the increased costs positively affected the net sales by a growth of €5.0 million compared to the previous year. The Group announced price increases during the second quarter, affecting mainly the Building Solutions business. They will be giving results mostly during the last two quarters of the year.

The impact of currency fluctuations on January –June net sales was €0.8 million positive year-on-year, and was primarily caused by the positive impact of Swedish krona and the negative impact of US dollar.

Net sales by segment (April–June):

M€	4-6/2011	4-6/2010	Change
Building Solutions – Europe	147.8	130.9	13.0%
Building Solutions – North America	29.5	33.5	-11.8%
(Building Solutions – North America, US\$)	42.8	42.5	0.8%
Infrastructure Solutions	47.3	42.6	11.0%
Eliminations	-2.0	-2.4	
Total	222.6	204.6	8.8%

January – June net sales amounted to €395.8 (362.0) million, up 9.4% from the comparison period. A part of the growth stems from the acquisition in Germany in the second quarter.

Net sales by segment (January–June):

M€	1-6/2011	1-6/2010	Change
Building Solutions – Europe	270.1	242.9	11.3%
Building Solutions – North America	56.2	58.0	-3.1%
(Building Solutions – North America, US\$)	80.0	76.1	5.2%
Infrastructure Solutions	73.3	64.5	13.7%
Eliminations	-3.8	-3.4	
Total	395.8	362.0	9.4%

Results and profitability

Consolidated operating profit in the second quarter totalled €15.5 (18.8) million, down by €3.3 million year-on-year. Profitability or the operating profit margin declined to 7.0 per cent from the 9.2 per cent reported a year ago.

Despite the price increases, the increases in raw material costs could not be recovered from customers in full due to the challenging market environment. This had a negative impact on the operating profit for Infrastructure Solutions, in particular. The higher cost level not only in plastic raw materials, but also in metal, components, energy and logistics compared to a year ago had an impact on all business groups. Following the

trend of the first quarter, large investments in marketing measures, especially in Building Solutions – Europe, negatively affected profitability in the second quarter. Furthermore, some minor expenses related to the safeguarding of the quality image in the Building Solutions - Europe's operations and products fell due during the reporting period. Accurately targeted cost savings had a positive impact on the operating profit of the North American business.

Operating profit by segment (April–June):

M€	4-6/2011	4-6/2010	Change
Building Solutions, Europe	13.9	16.4	-14.7%
Building Solutions, North America	2.7	2.0	30.0%
(Building Solutions, North America, US\$)	3.8	2.7	40.7%
Infrastructure Solutions	1.7	3.1	-45.2%
Other	-2.6	-2.7	6.8%
Eliminations	-0.2	0.0	
Total	15.5	18.8	-17.4%

Profit before taxes for April–June totalled €13.5 (15.5) million. The influence of taxes on profits was at €4.5 million while the amount of taxes in the comparison period was €4.7 million. Profit for the second quarter amounted to €9.0 (10.8) million.

January-June operating profit was €18.7 (20.3) million, down €1.6 million from the comparison period. Profitability, or operating margin, was 4.7 per cent, as against 5.6 per cent year-on-year. January-June earnings per share totalled €0.15 (0.12), both basic and diluted. Equity per share was €3.00 (3.30), basic and diluted.

Operating profit by segment (January–June):

M€	1-6/2011	1-6/2010	Change
Building Solutions - Europe	20.5	25.4	-19.3%
Building Solutions - North America	3.4	0.2	+2,039%
(Building Solutions - North America, US\$)	4.8	0.2	+2,188%
Infrastructure Solutions	-2.3	-0.9	-143.0%
Other	-3.7	-4.6	21.2%
Eliminations	0.8	0.2	
Total	18.7	20.3	-7.8%

Investments and financing

During the reporting period, investment targets mainly included maintenance and improvement operations. The largest single investment was the acquisition of a 50.3 per cent majority stake in the German company Zent-Frenger Gesellschaft für Gebäudetechnik mbH. The deal was finalised on 11 April. Integrating Zent-Frenger into Uponor has proceeded well.

Gross investment in January - June came to €9.2 (5.4) million. This was less than depreciation which amounted to €14.0 (15.0) million. Following the regular seasonal fluctuations, cash flow from business operations decreased to €-32.4 (-19.0) million.

As markets remain unstable, special attention is being focused on safeguarding liquidity at a good level. Follow-up of accounts receivable and other actions to avoid credit risk realisations are being actively continued.

The Group's funding structure was reformed when two convertible bonds totalling €100 million were issued in June. The amount of the five-year floating-rate loan totals €20 million and the amount of the seven-year floating-rate loan totals €80 million. The purpose of the reform was to extend the financing base and to prolong maturity. Investors comprised domestic institutions.

Furthermore, an interest rate swap was concluded to transform part of the floating-rate loan into a fixed-rate loan for four years. Interest rate hedging was included in hedge accounting starting from the interest rate swap date.

In June, Uponor paid back the €80 million pension contribution borrowed back from a Finnish pension insurance company. At the time of the payment, €40 million remained. Available bilateral credit limits amounted to €190 million, none of which was in use at the end of the reporting period. At period end, €74.5 million was in use of the €150 million from the domestic commercial paper programme.

The Group's interest-bearing liabilities increased to €150.9 (130.8) million. The period-end cash and cash equivalents totalled €36.2 (6.8) million. Gearing rose to 67.7 per cent (54.3 per cent), and remains aligned with the long-term financial targets.

Key events

The marketing of new products and systems introduced at trade fairs in the early part of the year were continued. The most important new innovations in the Building Solutions business included the unique RTM fittings technology. It has attracted wide customer interest and wholesaler advance orders have exceeded expectations. The RTM technology represents a completely new type of compression joint eliminating the need for tools. Another major innovation in Building Solutions is the PEX installation tool developed in cooperation with a leading tools manufacturer to facilitate easier handling and faster installation of Quick & Easy fittings. Both products have contributed to Uponor's strengthened position as an industry leader and the winning of new sales channels.

During the second quarter, new products were introduced into Uponor's control systems portfolio. The most remarkable achievement is a novel control unit for indoor climate systems enabling efficient and energy saving heating and cooling control through just the one device. The unit is fully compatible with Uponor's Dynamic Energy Management (DEM) which was launched last year. The DEM system was complemented with a wired wall thermostat offered as an alternative to the wireless model launched last year.

In North America, a pre-assembled technical unit to facilitate a faster installation of underfloor heating systems was introduced. All necessary components, excluding the pipes and thermostat, are pre-installed into the unit at the factory. It not only accelerates the installation process in the technical room, but also helps to improve installation quality. A new installation panel accelerating the installation of underfloor heating pipe loops was also introduced.

The infrastructure solutions offering was also modernised. Uponor's IQ storm drain pipes introduced in Sweden last winter were successfully introduced in the Danish markets. New chamber solutions were also launched.

Measures to implement the new customer segmentation model in all marketing-related activities continued. During the report period, business group development and marketing organisations were reorganised.

In June, Uponor signed ENCORD's Sustainable Development Charter together with other industry leaders. ENCORD is the European Network of Construction Companies for Research and Development and the charter is aimed at promoting sustainable building and construction in Europe.

Uponor reported its 2010 environmental performance figures as part of the Investor CDP 2011 survey. Uponor participated in the survey for the first time last year. In connection with this, the drafting of group-level long-term sustainability targets to develop operations further was initiated.

In early April, a new distribution centre was officially opened in Móstoles, Spain. The same building houses a training centre and the headquarters of the Southern and Western European area. The building is heated and cooled with Uponor solutions utilising renewable energy sources.

In May, Uponor established a joint venture called Uponor Middle East SAL in Lebanon to improve sales in the area. In the same month, the Romanian Rep Office was turned into a subsidiary.

Human resources and administration

The number of Group full time-equivalent employees in continuing operations averaged 3,281 (3,203) during the period under review, showing an increase of 78 employees from the same period in 2010. At the end of the period, the Group had 3,400 (3,272) employees, an increase of 128 from the end of the comparison period. The majority of the increase comes from the acquisition made in Germany in the second quarter.

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 second quarter was 7.3 (9.5) million shares, totalling €89.0 (119.0) million. The market value of the share capital at the end of the period was €0.8 (0.9) billion, and the number of shareholders was 20,730 (22,288).

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

The Annual General Meeting held on 15 March 2011 authorised the Board to resolve to buy back a maximum of 3.5 million of the company's own shares using distributable earnings from unrestricted equity, amounting in total to 4.8 per cent of the total number

of company shares. This authorisation is valid until the end of the next Annual General Meeting and expires no later than 18 months from the date of the general meeting. The AGM also authorised the Board to resolve the issuance of no more than 7.2 million shares; amounting in total to approximately 9.8 per cent of the total number of company shares. The Board of Directors decides on the conditions governing the issuance of shares. A directed share issue, in deviation from the shareholders' pre-emptive rights, is also an option. The authorisation includes the possibility to issue own shares to the corporation free of charge. This authorisation is valid until the end of the next annual general meeting.

Based on the decision by the AGM, the company distributed a dividend of €0.55 per share for the financial period 2010.

The Board of Directors did not exercise these authorisations during the reporting period. The Board of Directors has no other valid authorisations from the AGM.

Events after the reporting period

There are no significant events to report after the reporting period.

Short-term outlook

2011 started out with careful optimism, but in the second quarter, uncertainties have re-emerged in the macroeconomic development of Europe, the USA and Asia. This has had an impact on the investment moods of both consumers and businesses, slowing down the recovery of housing construction markets that are otherwise on solid ground. The effects vary between different market areas.

The positive signs observed in the German-speaking countries in the spring continue to exist, and business development has been favourable. This trend is, however, expected to slightly slow down towards the end of the year. In the Nordic countries, demand for building solutions has decreased since the first quarter, but is expected to remain stable for the next few months. Demand for infrastructure solutions is also expected to remain at current levels in Northern Europe. The positive signs observed earlier in Southern and Western Europe have not been sufficiently strong to stimulate the markets. Furthermore, with certain countries facing severe financial problems, increases in demand are not expected. According to construction statistics, a flat development is anticipated in North America, and the markets are expected to remain close to the current levels.

The future development of housing and construction markets depends on the development of the global economy, which might cause significant changes in the operational preconditions of the company and its customers. Currently, forecasting any overall lines of development for the economy or world politics is extremely challenging. Furthermore, Uponor's financial performance may be affected by several strategic, operational, financial, and hazard risks. A detailed risk analysis is provided in the company's Annual Report.

The international financial crisis of the past few days may expand and affect Uponor's business environment and the preconditions of business. Based on the present situation, the company 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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INTERIM REPORT 1-6/2011: Tables

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 2010. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-6/2011	1-6/2010	4-6/2011	4-6/2010	1-12/2010
Continuing operations					
Net sales	395.8	362.0	222.6	204.6	749.2
Cost of goods sold	250.8	222.5	142.1	123.9	461.1
Gross profit	145.0	139.5	80.5	80.7	288.1
Other operating income	0.1	1.1	0.1	0.5	2.2
Dispatching and warehousing expenses	15.4	14.9	8.0	7.4	30.1
Sales and marketing expenses	80.0	74.0	40.7	38.5	145.1
Administration expenses	23.2	23.6	12.3	12.3	45.0
Other operating expenses, net	7.8	7.8	4.1	4.2	17.7
Operating profit	18.7	20.3	15.5	18.8	52.4
Financial expenses, net	3.1	7.4	2.0	3.3	10.7
Profit before taxes	15.6	12.9	13.5	15.5	41.7
Income taxes	5.1	3.9	4.5	4.7	14.7
Profit for the period from continuing operations	10.5	9.0	9.0	10.8	27.0
Discontinued operations					
Profit for the period from discontinued operations	0.0	-0.9	0.0	-0.5	-2.3
Profit for the period	10.5	8.1	9.0	10.3	24.7
Other comprehensive income					
Translation differences	-6.3	17.1	-2.3	8.7	12.6
Cash flow hedges	-0.7	0.4	-0.2	0.8	1.6
Net investment hedges	3.4	-6.3	2.4	-3.1	-8.4
Other comprehensive income for the period	-3.6	11.2	-0.1	6.4	5.8
Total comprehensive income for the period	6.9	19.3	8.9	16.7	30.5
Profit for the period attributable to					
- Equity holders of parent company	10.8	8.1	9.3	10.3	24.7
- Non-controlling interest	-0.3	-	-0.3	-	-
Comprehensive income for the period attributable to					
- Equity holders of parent company	7.2	19.3	9.2	16.7	30.5
- Non-controlling interest	-0.3	-	-0.3	-	-
Earnings per share, €					
- Continuing operations	0.15	0.11	0.13	0.14	0.34
- Discontinued operations	0.00	-0.01	0.00	-0.01	-0.03

Diluted earnings per share, €	0.15	0.11	0.13	0.14	0.34
- Continuing operations	0.15	0.12	0.13	0.15	0.37
- Discontinued operations	0.00	-0.01	0.00	-0.01	-0.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	30.6.2011	30.6.2010	31.12.2010
Assets			
Non-current assets			
Property, plant and equipment	166.4	175.3	171.3
Intangible assets	99.0	99.7	96.9
Securities and long-term investments	8.6	8.4	8.4
Deferred tax assets	12.3	15.9	13.9
Total non-current assets	286.3	299.3	290.5
Current assets			
Inventories	97.4	90.4	84.4
Accounts receivable	157.2	147.8	93.1
Other receivables	19.0	13.8	17.3
Cash and cash equivalents	36.2	6.8	11.9
Total current assets	309.8	258.8	206.7
Total assets	596.1	558.1	497.2
Equity and liabilities			
Equity			
Equity attributable to owners of the parent company	219.2	240.8	252.1
Non-controlling interest	3.7	-	-
Total equity	222.9	240.8	252.1
Non-current liabilities			
Interest-bearing liabilities	112.4	59.6	43.5
Deferred tax liability	9.4	10.1	9.5
Provisions	4.1	5.7	5.6
Employee benefits and other liabilities	22.4	15.4	21.6
Total non-current liabilities	148.3	90.8	80.2
Current liabilities			
Interest-bearing liabilities	74.7	78.0	35.2
Provisions	6.6	7.1	6.4
Accounts payable	61.9	58.7	51.0
Other liabilities	81.7	82.7	72.3
Total current liabilities	224.9	226.5	164.9
Total equity and liabilities	596.1	558.1	497.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-6/2011	1-6/2010	1-12/2010
Cash flow from operations			
Cash before net working capital	32.6	28.2	74.9
Change in net working capital	-55.0	-44.3	-22.6
Income taxes paid	-9.5	-1.4	1.1
Interest paid	-0.8	-1.9	-4.7
Interest received	0.3	0.4	0.5
Cash flow from operations	-32.4	-19.0	49.2
Cash flow from investments			
Acquisition of subsidiary shares	-6.4	-	-
Proceeds from disposal of shares	0.1	-	0.2
Purchase of fixed assets	-9.2	-5.4	-19.0
Proceeds from sales of fixed assets	0.3	2.8	5.0
Received dividends	0.0	0.0	0.1
Loan repayments	0.2	0.0	0.1
Cash flow from investments	-15.0	-2.6	-13.6
Cash flow from financing			
Borrowings of debt	161.3	47.7	67.6
Repayments of debt	-58.2	-	-84.0
Change in other short term debt	9.8	4.9	18.0
Dividends paid	-40.2	-36.5	-36.5
Purchase of own shares	-	-	-
Payment of finance lease liabilities	-1.0	-0.9	-2.1
Other financing items	-	-	-
Cash flow from financing	71.7	15.2	-37.0
Conversion differences for cash and cash equivalents	0.0	0.0	0.1
Change in cash and cash equivalents	24.3	-6.4	-1.3
Cash and cash equivalents at 1 January	11.9	13.2	13.2
Cash and cash equivalents at end of period	36.2	6.8	11.9
Changes according to balance sheet	24.3	-6.4	-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€	A	B	C*	D	E	F	G	H	I
Balance at									
31 Dec. 2010	146.4	50.2	-5.5	-1.4	-1.2	63.6	252.1	-	252.1
Total									
comprehensive									
income for the									
period			2.7	-6.3		10.8	7.2	-0.3	6.9
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	4.0	0.0
Balance at									
30 June 2011	146.4	50.2	-2.8	-7.7	-1.2	34.3	219.2	3.7	222.9
Balance at									
31 Dec. 2009	146.4	50.2	1.3	-14	-1.2	75.3	258.0	-	258.0
Total									
comprehensive									
income for the									
period			-5.9	17.1		8.1	19.3	-	19.3
Dividend paid									
(€0.50 per share)						-36.5	-36.5	-	-36.5
Share based									
incentive plan						0.0	0.0	-	0.0
Other adjustments			0.0			0.0	0.0	-	0.0
Balance at									
30 June 2010	146.4	50.2	-4.6	3.1	-1.2	46.9	240.8	-	240.8

*) Includes -5.0 (-6.3) M€ effective portion of the net investment hedge.

***) Includes acquisition of subsidiary shares

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 2010, with the exception of the changes listed below. Percentage of completion: The Group recognises work-in-progress for long-term contracts in Zent-Frenger according to the percentage of completion principle.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	1-6/2011	1-6/2010	1-12/2010
Gross investment	9.2	5.4	19.0
- % of net sales	2.3	1.5	2.5
Depreciation	14.0	15.0	29.1
Write downs	-	-	1.4
Book value of disposed fixed assets	0.2	2.4	5.4

PERSONNEL

Converted to full time employees	1-6/2011	1-6/2010	1-12/2010
Average	3 281	3 203	3 219
At the end of the period	3 400	3 272	3 197

OWN SHARES

	30.6.2011	30.6.2010	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

M€	1-6/2011			1-6/2010		
	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions - Europe	269.9	0.2	270.1	242.5	0.4	242.9
Building Solutions - North America	56.2	-	56.2	58.0	-	58.0
Infrastructure Solutions	69.7	3.6	73.3	61.5	3.0	64.5
Eliminations	-	-3.8	-3.8	-	-3.4	-3.4
Total	395.8	-	395.8	362.0	-	362.0

M€	4-6/2011			4-6/2010		
	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions - Europe	147.7	0.1	147.8	130.6	0.3	130.9
Building Solutions - North America	29.5	0.0	29.5	33.5	-	33.5
Infrastructure Solutions	45.4	1.9	47.3	40.5	2.1	42.6
Eliminations	0.0	-2.0	-2.0	-	-2.4	-2.4
Total	222.6	-	222.6	204.6	-	204.6

M€	1-12/2010		Total
	External	Internal	
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€	1-6/2011	1-6/2010	4-6/2011	4-6/2010	1-12/2010
Segment result, continuing operations					
Building Solutions - Europe	20.5	25.4	13.9	16.4	55.7
Building Solutions - North America	3.4	0.2	2.7	2.0	3.1
Infrastructure Solutions	-2.3	-0.9	1.7	3.1	0.4
Others	-3.7	-4.6	-2.6	-2.7	-6.8
Eliminations	0.8	0.2	-0.2	0.0	0.0
Total	18.7	20.3	15.5	18.8	52.4

M€	1-6/2011	1-6/2010	1-12/2010
Segment depreciation and impairments, continuing operations			
Building Solutions – Europe	6.5	6.4	13.2
Building Solutions - North America	2.0	3.3	8.0
Infrastructure Solutions	3.1	2.8	5.6
Others	2.1	2.2	4.3
Eliminations	0.3	0.3	-0.5
Total	14.0	15.0	30.6

Segment investments, continuing operations			
Building Solutions – Europe	5.2	2.3	8.0
Building Solutions - North America	1.3	1.7	4.3
Infrastructure Solutions	2.0	1.3	6.2
Others	0.7	0.1	0.5
Total	9.2	5.4	19.0

M€	30.6.2011	30.6.2010	31.12.2010
Segment assets			
Building Solutions - Europe	432.2	407.9	414.9
Building Solutions - North America	179.2	141.2	126.8
Infrastructure Solutions	105.3	96.8	88.9
Others	538.8	461.1	534.2
Eliminations	-659.4	-548.9	-667.6
Total	596.1	558.1	497.2

Segment liabilities

Building Solutions - Europe	310,9	285,0	303,1
Building Solutions - North America	64.1	84.5	72.8
Infrastructure Solutions	76.5	71.4	64.2
Others	521.5	446.8	496.0
Eliminations	-599.7	-570.4	-691.0
Total	373.3	317.3	245.1
	1-6/2011	1-6/2010	1-12/2010

Segment personnel, continuing operations, average

Building Solutions - Europe	2 280	2 222	2 222
Building Solutions - North America	409	428	427
Infrastructure Solutions	534	493	509
Others	58	60	61
Total	3 281	3 203	3 219

Reconciliation

M€	1-6/2011	1-6/2010	1-12/2010
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Segment result, continuing operations

Segment results total	18.7	20.3	52.4
Financial expenses, net	3.1	7.4	10.7
Group's profit before taxes	15.6	12.9	41.7

CONTINGENT LIABILITIES

M€	30.6.2011	30.6.2010	31.12.2010
Group:			
Pledges			
- on own behalf	0.0	0.0	0.0
Mortgages			
- on own behalf	-	0.0	-
Guarantees			
- on own behalf	0.6	0.1	0.1
- on behalf of others	7.3	7.0	7.0
Parent company:			
Guarantees			
- on behalf of a subsidiary	11.3	10.6	11.2
- on behalf of others	6.9	6.9	6.9
OPERATING LEASE COMMITMENTS	33.4	30.6	29.3

BONDS

In June, Uponor Corporation issued two bonds with an aggregate principal amount of € 100 million, targeted mainly to Finnish domestic institutional investors. The floating rate 5-year bond totals €20 million and the floating rate 7-year bond €80 million. The issue date was 21 June 2011. The 5-year bond pays a coupon of 6 month Euribor +1.75 per cent and the 7-year bond 6 month Euribor +2.05 per cent. These bonds are hedged with interest rate swaps with a nominal value of €50 million.

DERIVATIVE CONTRACTS

M€	Nominal value		Fair value		Nominal value		Fair value	
	30.6.2011	30.6.2011	30.6.2010	30.6.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010
Currency derivatives								
- Forward agreements	163.0	1.0	154.4	-5.4	175.1		4.0	
- Currency options, bought	13.6	0.1	-	-	21.6		0.0	
- Currency options, sold	14.4	-0.1	-	-	21.6		-0.3	
Interest derivatives								
- Interest rate swaps	50.0	-0.5						
Commodity derivatives								
- Forward agreements	5.9	0.4	6.4	0	6.0		1.6	

BUSINESS COMBINATIONS

The preliminary acquisition calculation of Zent-Frenger is presented below. The total net assets are mainly inventories. This calculation, dated 1 April 2011, is a preliminary one and it can be adjusted later.

Total consideration in cash	6.4
Acquisition-related costs (recognised as expenses)	0.9

Recognised amounts of identifiable net assets acquired and liabilities assumed, preliminary

Cash and cash equivalents	0.0
Non-current assets	3.8
Inventories	1.6
Accounts receivable and other receivables	5.9
Accounts payable and other liabilities	-5.1
Total identifiable net assets	6.2
Non-controlling interest	4.0
Goodwill	2.4
Total entity value	12.6

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€	1-6/2011	1-6/2010	1-12/2010
Expenses	0.0	0.9	2.3
Profit before taxes	0.0	-0.9	-2.3
Income taxes	0.0	0.0	0.0
Profit after taxes	0.0	-0.9	-2.3
Profit for the period from discontinued operations	-	-0.9	-2.3
Cash flow from discontinued operations			
Cash flow from operations	-0.2	-0.2	-1.6

RELATED-PARTY TRANSACTIONS

M€	1-6/2011	1-6/2010	1-12/2010
Continuing operations			
Purchases from associated companies	0.9	0.7	1.4
Balances at the end of the period			
Accounts payables and other liabilities	0.1	0.1	0.0

KEY FIGURES

	1-6/2011	1-6/2010	1-12/2010
Earnings per share, €	0.15	0.11	0.34
- continuing operations	0.15	0.12	0.37
- discontinued operations	0.00	-0.01	-0.03
Operating profit (continuing operations), %	4.7	5.6	7.0
Return on equity, % (p.a.)	8.8	6.5	9.7
Return on investment, % (p.a.)	10.6	9.0	14.4
Solvency ratio, %	37.4	43.2	50.8
Gearing, %	67.7	54.3	26.5
Net interest-bearing liabilities	150.9	130.8	66.8
Equity per share, €	3.00	3.30	3.45
- diluted	3.00	3.30	3.45
Trading price of shares			
- low, €	10.15	10.58	10.58
- high, €	14.25	15.66	15.66
- average, €	12.38	13.26	12.88
Shares traded			
- 1,000 pcs	16 878	19 711	37 389
- M€	209	261	482

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

$$= \frac{\text{Profit before taxes – taxes}}{\text{Total equity, average}} \times 100$$

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, %

$$= \frac{\text{Total equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Net interest-bearing liabilities

$$= \text{Interest-bearing liabilities – cash, bank receivables and financial assets}$$

Earnings per share (EPS)

$$= \frac{\text{Profit for the period attributable to equity holders of the parent company}}{\text{Number of shares adjusted for share issue in financial period excluding treasury shares}}$$

Equity per share ratio

$$= \frac{\text{Equity attributable to the owners of the parent company}}{\text{Average number of shares adjusted for share issue at end of year}}$$

Dividend per share ratio

$$= \frac{\text{Dividend per share}}{\text{Earnings per share}}$$

Price-Earnings ratio (P/E)

$$= \frac{\text{Share price at end of financial period}}{\text{Earnings per share}}$$

Average share price

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