Q3

INTERIM REPORT 2007

Uponor's interim report for January–September 2007

Weaker demand impacted Uponor's profit development in Q3

- Net sales for Jan–Sept at EUR 943.3 (871.1) million, a change of +8.3%
- Jan–Sept operating profit at EUR 123.7 (113.8) million, a change of +8.6%
- Earnings per share improved to 1.10 (1.05) euros
- Return on investment at 41.0% (34.8%), with gearing at 37.3 (-5.0)
- Full-year net sales are expected to grow in line with long-term targets
- Full-year operating profit is expected to improve from 2006

CEO Jan Lång comments on the financial performance for the period:

- Uponor's 9-month net sales development is in line with our long-term targets although the third quarter turned out to be exceptionally challenging with housing solutions demand declining abruptly in certain key markets.
- In North America, we managed to reach a significant operative performance improvement, which confirms our view of future prospects. We also decided on a factory expansion, in order to satisfy the growing demand of plastic systems and to be able to introduce new products in the future.
- Despite fluctuating demand cycles, our strategically significant development projects in the high-rise and cooling businesses are advancing according to plan. We have won new projects in all regions.

Presentation material is available, and a teleconference will be held:

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

Uponor will hold a teleconference for IR audiences today, at 5.00 p.m. Finnish time (London 3:00 p.m. and New York 10:00 a.m.). Please join by calling +44 20 7019 0812 (using a DTMF telephone). The participant code is 'Uponor Q3' and the conference number is PA5448815. Instructions are available at www.uponor.com/investors.

Markets

Demand for Uponor's housing solutions weakened surprisingly rapidly in the third quarter, mainly affecting Germany and certain other European markets, which showed clearly lower figures for demand compared to the lively third quarter of 2006. The origin of this can be traced back to the faltering of the U.S. housing markets, which has led to longer selling time for houses and made it more difficult to obtain loans. This in turn has increased prudence, not only among construction industry companies but also in the distribution channel and among consumers, particularly in the United States but also elsewhere.

The implications of the turbulence in the financial markets are also reflected geographically in Europe, which generates a good four fifths of Uponor's net sales. In Germany, third quarter demand remained clearly below that of the very lively first half of 2007. In Denmark, the decline in demand already noted during the second quarter continued, while in Finland and Spain the decline became clearly evident during the report period. In the UK and Italy, the growth in demand clearly decelerated.

Despite this weakening of the general business environment, demand remained strong in certain key markets, including the other Nordic countries and most Central European markets (excluding Germany).

Within infrastructure solutions, which constitute nearly a third of Uponor's business operations, demand remained satisfactory or even improved in the Nordic countries and the UK, where Uponor is engaged in this business.

Net sales

Uponor's consolidated net sales for July–September fell short of those of the comparison period and totalled EUR 308.3 (319.7) million.

In housing solutions, the decrease in net sales was due to the surprisingly rapid weakening in demand which occurred simultaneously in several key markets. This resulted mainly from the smaller number of new housing projects underway during the third quarter compared to a year earlier, affecting demand for heating systems in particular. In addition to the reduction in housing starts, the strong growth in demand for plumbing systems in the last few years was affected by intensifying competition, particularly in composite pipe markets.

Net sales in municipal infrastructure solutions achieved their 2006 level, partly due to the price increases implemented.

In Central Europe, net sales were markedly lower in Germany, where demand fell from the exceptionally strong level of the third quarter of 2006. In the other Central European markets, which contribute approximately half of net sales in this region, growth continued, mainly at satisfactory levels.

In the Nordic countries, net sales to local customers reached the previous year's level despite the reduction of the Danish market. However, total net sales from this region decreased slightly, due to the downward trend in deliveries to other Uponor units, mainly to Germany and countries of southern Europe.

In Uponor Europe – West, East, South, net sales grew slightly, year-on-year. This was mainly attributable to brisk growth in France and Eastern Europe as well as in the housing solutions and infrastructure solutions business in the UK. There was also a slight increase in net sales in Spain.

In North America, the fall in net sales was mainly attributable to decreased demand for plumbing systems whereas sales of radiant underfloor heating systems remained at the previous year's level. The decline in total net sales resulted from difficulties in the U.S. markets, with net sales growing in Canada.

Net sales by segment (July-September):

EUR million	7-9/2007	7-9/2006	Change
Central Europe	85.9	96.9	-11.3%
Nordic	99.1	101.2	-2.0%
Europe – West, East, South	111.3	106.8	4.2%
North America	44.8	53.1	-15.6%
(North America, USD million)	62.0	67.5	-8.2%)
Eliminations	-32.8	-38.3	
Total	308.3	319.7	-3.6%

January–September net sales totalled EUR 943.3 (871.1) million, representing growth of 8.3 per cent due to favourable developments during the first half of the year. Excluding North America, all of the regional organisations reported increased net sales, year on year. The growth in plumbing system sales has been supported by copper prices, which have remained high, and the resultant accelerated growth in market share in plastic and composite pipes.

Net sales by segment (January-September):

EUR million	1-9/2007	1-9/2006	Change
Central Europe	275.6	256.4	7.5%
Nordic	309.6	279.8	10.6%
Europe – West, East, South	343.5	294.0	16.8%
North America	130.5	144.2	-9.5%
(North America, USD million)	176.3	180.1	-2.1%)
Eliminations	-115.9	-103.3	
Total	943.3	871.1	8.3%

Results and profitability

Uponor's operating profit for the third quarter was clearly below that of the comparison period. Consolidated operating profit for July–September totalled EUR 42.2 (52.1) million, down 19.1 per cent year on year. As a result of lower net sales, the profit and profitability both declined from the comparable period last year. Also fluctuating demand has brought inefficiencies into the supply chain, thus contributing to lower profitability. In North America, Uponor recognised a non-recurring expense of approximately EUR 3 million as the company decided to replace defective pipe fittings delivered by its subcontractor in around 700 apartments. Uponor is claiming damages from involved parties.

The decline in operating profit was strongest in Uponor Central Europe as well as in Uponor Nordic, where the drop in internal deliveries to other regions had a negative impact on profitability. Uponor North America achieved a healthy profit improvement amidst a challenging market situation, but its impact was lost due to the aforementioned product replacement resulting from a subcontractor's product defect. The performance improvement in North America was created mainly by streamlining production, marketing and administration. In Europe – West, East, South, Uponor sold a factory building which had previously manufactured infrastructure solutions in Portugal. A capital gain of EUR 3.4 million was recognised in the current quarter as a result of this transaction, in addition to which Uponor succeeded in improving its profitability in Europe – WES through growth in net sales, improved operating efficiency and changes in its product sales mix.

Operating profit by segment (July-September):

EUR million	7-9/2007	7-9/2006	Change
Central Europe	10.6	15.2	-30.5%
Nordic	13.0	19.2	-32.4%
Europe – West, East, South	16.7	13.6	22.6%
North America	4.4	7.0	-37.5%
(North America, USD million)	6.1	8.9	-31.2%)
Other	-3.4	-3.0	
Eliminations	0.9	0.1	
Total	42.2	52.1	-19.1%

Due to the favourable developments during the first half of the year, Uponor's January–September operating profit came to EUR 123.7 (113.8) million, up 8.6 per cent on the previous year. Despite the clearly weaker third quarter, year on year, nine-month profitability remained unchanged, with the profit margin at 13.1 (13.1) per cent.

Operating profit by segment (January-September):

EUR million	1-9/2007	1-9/2006	Change
Central Europe	34.0	38.7	-12.2%
Nordic	42.0	43.7	-4.0%
Europe – West, East, South	46.8	28.4	64.7%
North America	12.6	11.1	13.1%
(North America, USD million)	17.0	13.9	22.3%)
Other	-9.7	-7.1	
Eliminations	-2.0	-1.0	
Total	123.7	113.8	8.6%

Consolidated profit before taxes for January-September came to EUR 119.4 (112.5) million, up 6.1 per cent on the previous year. Taxes amounted to EUR 38.8 (35.4) million, with a tax rate of 32.5 (31.5) per cent. The result for the financial period was EUR 80.6 (77.1) million.

Earnings per share (basic and diluted) were EUR 1.10 (1.05). Equity per share went down to EUR 4.32 (5.82) and, diluted, EUR 4.32 (5.81).

Investment and financing

Consolidated cash flow before financing was EUR 11.5 (66.0) million.

Gross investments totalled EUR 32.0 (31.2) million, or 3.4 (3.6) per cent of net sales. The largest individual investments continued to be the development and implementation of an enterprise resource planning (ERP) system which has now proceeded to Uponor Nordic.

In the United States, Uponor initiated a plant extension, the aim of which is to ensure sufficient production capacity in radiant floor heating and plumbing systems and to provide opportunities for launching new products over the next few years.

Furthermore, composite pipe production was expanded in Europe.

The solvency ratio declined to 43.0 (57.2) per cent, while gearing increased to 37.3 (-5.0). Net interest-bearing liabilities rose to EUR 118.0 (-21.1) million, mainly due to capital tied up in inventories.

Return on investment (ROI) grew to 41.0 (34.8) per cent and return on equity (ROE) to 32.5 (24.4) percent.

Key events during the period

Uponor signed several high-rise and cooling project contracts which support the company's strategic focus areas. During the report period, the most important of these were "The Eye", a telecommunications building to be built in Darmstadt, Germany, that will be equipped with Uponor's radiant cooling system, and the new opera house under construction in Oslo, Norway, that will be equipped with Uponor's radiant heating and plumbing systems. In Spain, Uponor signed a partnership agreement with a local company specialised in solar energy in order to promote sales of radiant heating and cooling systems.

A new Uponor Academy was opened in Fristad, Sweden, and a corresponding institute is under construction in Ochtrup, Germany. Also in Sweden, Uponor carried out its first Nordic installation of the Oracle eBS ERP system in a manufacturing site.

In Great Britain, Uponor initiated sales of a new sewer pipe that withstands high cleaning pressure.

Human resources and organisation

The reported number of Group employees (converted to full-time equivalents) averaged 4,471 (4,243) during the period under review, an increase of 228 persons from the third quarter of 2006. The corresponding figure at the period end was 4,558 (4,277) employees, 281 more than in September 2006. At the end of the period, the Group employed 4,719 (4,452) employees. Personnel decreased in North America and increased in all other regions.

On 25 September, Uponor Corporation's Board of Directors decided to launch a long-term incentive scheme for members of the company's Executive Committee. To be eligible to participate in the scheme, an Executive Committee member must acquire a specific number of Uponor shares, as defined under the scheme, by the end of August 2008. Depending on the cumulative operating profit of Uponor during 2007–2011, and the number of shares acquired within the scheme, each Executive Committee member is eligible for being awarded Uponor shares in the spring of 2012.

Share capital and shares

A total of 24.8 (8.4) million Uponor shares valued at EUR 619.4 (173.8) million were traded on the OMX Nordic Exchange in Helsinki in the third quarter. The highest quotation was EUR 29.98 (21.79) and the lowest was EUR 20.00 (19.17). The market value of the share capital was EUR 1.6 (1.6) billion at the end of the period, and the number of shareholders was 9,564 (7,131).

Uponor Corporation's share capital amounts to EUR 146,446,888 and the number of shares totals 73,206,944.

On 14 September, Capital Research and Management Company and Capital Group International, Inc. issued notifications, according to which the holdings of Capital Research and Management Company represent over 5 per cent of the share capital and voting rights in Uponor Corporation, whereas the aggregate holdings of Capital Group Companies, Inc. and Capital Group International, Inc. and its subsidiaries have fallen below 5 per cent of the share capital and voting rights.

In March, Uponor's AGM authorised the Board of Directors to decide on the buyback of the company's own shares using distributable earnings from unrestricted equity. The number of shares to be bought back will be no more than 3,500,000 shares, representing approximately 4.8 per cent of the company's shares. The authorisation is valid for one year from the date of the AGM. The Board of Directors has no other authorisations.

The company has no treasury shares.

Short-term outlook

Uponor's financial results are exposed to various strategic, operational, financial and damage risks. For further details on these, see Uponor's Financial Report 2006.

The short-term outlook of the construction market in Uponor's geographical markets and product groups is rather unstable, and the circumstances are expected to remain unsatisfactory for the remaining part of the year. The U.S. construction market is expected to remain subdued for a good part of 2008. In the German market, no long-term growth is on the horizon despite the possibility of occasional pick-ups in demand. The long-term boom in the Spanish market has levelled off but the market is expected to remain at a satisfactory level in a longer-term comparison. In the Nordic countries, demand is likely to fall from last winter's level but is expected to remain satisfactory both in housing and infrastructure solutions.

Uponor will continue to improve its efficiency as well as the implementation of strategic projects aimed at business growth. The implementation of the Europe-wide ERP system is proceeding according to plan. Development projects in the high-rise and cooling businesses are also advancing in line with targets.

Uponor hereby repeats the message given on 25 September, which concerned a slower growth of net sales. Uponor expects its full-year 2007 net sales growth rate to be at least 6 per cent. In the same connection, Uponor announced that its full-year operating profit is expected to exceed the 2006 level.

Uponor Corporation
Board of Directors

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The text may contain forward-looking statements, which are based on the management's present expectations and beliefs about the future. The actual result may differ materially from such statements.

Information on the interim report

The figures in brackets in this interim report are the reference figures for the equivalent period in 2006. The change percentages reported in the interim report have been calculated from exact figures, not from rounded figures published in the interim report.

INTERIM REPORT 1-9/2007, IFRS

The figures in this interim report are unaudited.

CONSOLIDATED INCOME STATEMENT

MEUR	1-9/2007	1-9/2006	7-9/2007	7-9/2006	1-12/2006
Net sales	943.3	871.1	308.3	319.7	1,157.0
Cost of goods sold	603.3	557.5	199.4	202.3	743.8
Gross profit	340.0	313.6	108.9	117.4	413.2
Other operating income	5.0	2.1	4.0	0.9	3.7
Dispatching and warehousing expenses	21.6	18.7	7.0	6.4	25.7
Sales and marketing expenses	142.0	130.2	45.9	42.1	176.6
Administration expenses	43.9	37.6	12.6	12.5	51.0
Other operating expenses	13.8	15.4	5.2	5.2	19.9
Operating profit	123.7	113.8	42.2	52.1	143.7
Financial expenses, net	4.3	1.3	2.2	0.2	2.2
Profit before taxes	119.4	112.5	40.0	51.9	141.5
Income taxes	38.8	35.4	13.8	16.7	45.0
Profit for the period	80.6	77.1	26.2	35.2	96.5
Earnings per share, EUR	1.10	1.05	0.36	0.48	1.32
Diluted earning per share, EUR	1.10	1.05	0.36	0.48	1.32

CONSOLIDATED BALANCE SHEET

MEUR	30.9.2007	30.9.2006	31.12.2006
Assets			
Non-current assets			
Property, plant and equipment	210.0	205.1	211.8
Intangible assets	98.7	93.1	97.6
Securities and long-term investments	3.6	10.6	3.6
Deferred tax assets	20.7	18.7	20.9
Total non-current assets	333.0	327.5	333.9
Current assets			
Inventories	160.4	125.6	128.1
Accounts receivable	224.1	228.1	150.6
Other receivables	12.7	17.6	18.9
Cash and cash equivalents	7.4	45.6	12.4
Total current assets	404.6	416.9	310.0
Total assets	737.6	744.4	643.9
Shareholders' equity and liabilities			
Shareholders' equity	316.5	425.5	344.4
Non-current liabilities			
Interest-bearing liabilities	19.6	21.5	17.2
Deferred tax liability	16.0	17.3	16.9
Provisions	9.9	9.7	10.8
Employee benefits and other liabilities	25.3	26.8	29.2
Total non-current liabilities	70.8	75.3	74.1
Current liabilities			
Interest-bearing liabilities	105.8	3.0	16.9
Provisions	8.5	7.3	4.7
Accounts payable	82.1	86.9	90.0
Other liabilities	153.9	146.4	113.8
Total current liabilities	350.3	243.6	225.4
Total shareholders' equity and liabilities	737.6	744.4	643.9

CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-9/2007	1-9/2006	1-12/2006
Net cash from operations	148.4	140.7	180.7
Change in net working capital	-74.3	-33.7	5.2
Paid income taxes	-31.5	-25.5	-37.9
Paid interest	-5.4	-2.1	-3.9
Received interest	1.7	2.1	3.2
Cash flow from operations	38.9	81.5	147.3
Cash flow from investments			
Proceeds from disposal of subsidiaries	-	0.5	0.3
Purchase of fixed assets	-32.0	-31.2	-54.2
Proceeds from sales of fixed assets	4.5	4.8	6.5
Loan repayments	0.1	10.4	18.6
Cash flow from investments	-27.4	-15.5	-28.8
Cash flow from financing			
Borrowings of debt	89.0	0.8	14.7
Repayments of debt	-1.5	-2.2	-1.7
Dividends paid	-102.5	-65.8	-166.0
Payment of finance lease liabilities	-1.5	-1.6	-2.0
Other financial items	-	-0.6	0.0
Cash flow from financing	-16.5	-69.4	-155.0
Conversion differences for cash and cash equivalents	0.0	0.1	0.0
Change in cash and cash equivalents	-5.0	-3.3	-36.5
Cash and cash equivalents at 1 January	12.4	48.9	48.9
Cash and cash equivalents at end of period	7.4	45.6	12.4
Change according to balance sheet	-5.0	-3.3	-36.5

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

MEUR	Share capital	Share premium	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total
Balance at 31 Dec 2006	146.4	42.5	6.7	-1.6	-10.2	160.6	344.4
Translation differences					-6.3		-6.3
Cash flow hedges							
- recorded in equity, net of taxes			0.2				0.2
Net profit for the period						80.6	80.6
Total recognised income and expense for the period			0.2		-6.3	80.6	74.5
Cancelling of shares				0.3		-0.3	-
Dividend paid (EUR 1.40 per share)						-102.5	-102.5
Share based incentive plan				1.3		-1.3	-
Other adjustments			0.1				0.1
Balance at 30 Sep 2007	146.4	42.5	7.0	-	-16.5	137.1	316.5
Balance at 31 Dec 2005	148.8	40.1	3.3	-21.2	-5.4	252.8	418.4
Translation differences					-4.5		-4.5
Net profit for the period						77.1	77.1
Total recognised income and expense for the period					-4.5	77.1	72.6
Cancelling of shares	-2.3	2.3		19.6		-19.6	-
Dividend paid (EUR 0.90 per share)						-65.8	-65.8
Share based incentive plan						0.3	0.3
Other adjustments	-0.1	0.1	1.2			-1.2	0.0
Balance 30 Sep 2006	146.4	42.5	4.5	-1.6	-9.9	243.6	425.5

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 EU and IAS 34 Interim Financial Reporting. In interim reports Uponor Group follows the same principles as in the annual financial statement 2006.

The Group has adopted the following new and amended standards from 1 January 2007:

- IFRS 7 Financial instruments: Disclosures
- Amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures

The adoption of the standard and the amendment has an impact on information presented in the notes to consolidated financial statements.

Hedge accounting

Uponor Group has applied hedge accounting for electricity derivatives in September 2007.

Part of the derivatives may be designated as hedging instruments, in which case the hedge accounting is applied. Hedge programmes are documented according to the requirements of IAS 39, and the efficiency of hedge instruments is tested both at the inception of the hedge and during the hedge. Fair value changes of derivatives, which are designated as cash flow hedges, are recognised directly in equity to the extent that the hedge is effective. In January-September, EUR 0.2 million is recorded directly in own equity. Such accumulated fair value changes are released into the income statement in the period, in which the hedged cash flow affects the result. The ineffective portion of the gain or loss of the hedging instrument is recognised immediately in the income statement. The impact of the ineffective portion on January-September result has been insignificant.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

MEUR	1-9/2007	1-9/2006	1-12/2006
Gross investment	32.0	31.2	54.2
- % of net sales	3.4	3.6	4.7
Depreciation	27.8	26.2	35.6
Book value of disposed fixed assets	1.5	5.0	6.7

PERSONNEL

Converted to full time employees	1-9/2007	1-9/2006	1-12/2006
Average	4,471	4,243	4,260
At the end of the period	4,558	4,277	4,325

OWN SHARES

	30.9.2007	30.9.2006	31.12.2006
Own shares held by the company, pcs	-	88,000	88,000
- of share capital, %	-	0.1 %	0.1 %
- of voting rights, %	-	0.1 %	0.1 %

SEGMENT INFORMATION

Geographical segments

	1-9/2007			1-9/2006		
MEUR	External	Internal	Total	External	Internal	Total
Segment revenue						
Central Europe	222.4	53.2	275.6	209.2	47.2	256.4
Nordic	250.8	58.8	309.6	226.0	53.8	279.8
Europe – West, East, South	341.6	1.9	343.5	291.7	2.3	294.0
North America	128.5	2.0	130.5	144.2	-	144.2
Eliminations	-	-115.9	-115.9	-	-103.3	-103.3
Total	943.3	-	943.3	871.1	-	871.1

MEUR	7-9/2007 External	7-9/2007 Internal	7-9/2007 Total	7-9/2006 External	7-9/2006 Internal	7-9/2006 Total
Segment revenue						
Central Europe	71.4	14.5	85.9	78.1	18.8	96.9
Nordic	82.5	16.6	99.1	82.3	18.9	101.2
Europe – West, East, South	110.5	0.8	111.3	106.2	0.6	106.8
North America	43.9	0.9	44.8	53.1	-	53.1
Eliminations	-	-32.8	-32.8	-	-38.3	-38.3
Total	308.3	-	308.3	319.7	-	319.7

	1-12/2006 External	1-12/2006 Internal	1-12/2006 Total
Segment revenue			
Central Europe	283.5	61.6	345.1
Nordic	305.2	72.6	377.8
Europe – West, East, South	385.3	2.6	387.9
North America	183.0	-	183.0
Eliminations	-	-136.8	-136.8
Total	1,157.0	-	1,157.0

	1-9/2007	1-9/2006	7-9/2007	7-9/2006	1-12/2006
Segment result					
Central Europe	34.0	38.7	10.6	15.2	49.3
Nordic	42.0	43.7	13.0	19.2	56.6
Europe – West, East, South	46.8	28.4	16.7	13.6	38.2
North America	12.6	11.1	4.4	7.0	14.5
Others	-9.7	-7.1	-3.4	-3.0	-12.0
Eliminations	-2.0	-1.0	0.9	0.1	-2.9
Total	123.7	113.8	42.2	52.1	143.7

	1-9/2007	1-9/2006	1-12/2006
Segment depreciation and impairments			
Central Europe	5.7	5.7	7.8
Nordic	7.6	7.9	10.7
Europe – West, East, South	7.5	7.2	9.4
North America	4.1	4.3	5.7
Others	2.4	0.8	1.6
Eliminations	0.5	0.3	0.4
Total	27.8	26.2	35.6

MEUR	1-9/2007	1-9/2006	1-12/2006
Segment investments			
Central Europe	8.0	4.5	7.5
Nordic	9.7	6.4	14.7
Europe – West, East, South	5.8	4.5	8.6
North America	5.3	6.7	8.8
Others	3.0	9.1	14.6
Total	31.8	31.2	54.2
Segment assets			
Central Europe	201.4	211.1	197.6
Nordic	232.3	281.2	203.5
Europe – West, East, South	245.8	227.5	223.3
North America	122.0	117.3	109.5
Others	634.8	682.8	612.5
Eliminations	-698.7	-775.5	-702.5
Total	737.6	744.4	643.9
Segment liabilities			
Central Europe	105.1	111.3	132.2
Nordic	271.9	346.8	270.3
Europe – West, East, South	119.9	127.8	115.8
North America	54.8	54.7	46.8
Others	584.2	475.5	454.8
Eliminations	-714.8	-797.2	-720.4
Total	421.1	318.9	299.5

	1-9/2007	1-9/2006	1-12/2006
Segment personnel, average			
Central Europe	1,255	1,154	1,167
Nordic	1,386	1,303	1,309
Europe – West, East, South	1,208	1,126	1,132
North America	564	611	603
Others	58	49	49
Total	4,471	4,243	4,260

Business segments

	1-9/2007		
Segment external revenue	Housing solutions	Infrastructure solutions	Total
Central Europe	222.4	-	222.4
Nordic	103.7	147.1	250.8
Europe – West, East, South	195.0	146.6	341.6
North America	128.5	-	128.5
Total	649.6	293.7	943.3

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Segment external revenue	1-9/2006 Housing solutions	Infrastructure solutions	Total
Central Europe	209.2	-	209.2
Nordic	91.9	134.1	226.0
Europe – West, East, South	158.3	133.4	291.7
North America	144.2	-	144.2
Total	603.6	267.5	871.1

Segment external revenue	1-12/2006 Housing solutions	Infrastructure solutions	Total
Central Europe	283.5	-	283.5
Nordic	127.7	177.5	305.2
Europe – West, East, South	210.2	175.1	385.3
North America	183.0	-	183.0
Total	804.4	352.6	1,157.0

CONTINGENT LIABILITIES

MEUR	30.9.2007	30.9.2006	31.12.2006
Group:			
Mortgages			
- on own behalf	-	2.1	-
Guarantees			
- on behalf of others	12.0	12.7	12.6
Parent company:			
Guarantees			
- on behalf of subsidiaries	10.2	11.0	11.4
- on behalf of others	9.4	9.8	9.7
OPERATING LEASE LIABILITIES	24.2	23.0	24.4

DERIVATIVE CONTRACTS

MEUR	Nominal value 30.9.2007	Fair value 30.9.2007	Nominal value 30.9.2006	Fair value 30.9.2006	Nominal value 31.12.2006	Fair value 31.12.2006
Foreign currency derivatives - Forward agreements	15.5	0.0	5.9	0.0	6.4	0.1
Commodity derivatives - Forward agreements	5.1	0.3	5.2	1.4	5.6	-0.4
Currency swaps	75.9	0.0	6.2	0.0	6.6	0.1

COMMERCIAL PAPER PROGRAMME

In February 2007, Uponor Corporation increased its EUR 100 million domestic Commercial Paper Programme to EUR 150 million. The proceeds of the programme will be used to fund short-term working capital needs.

SHARE-BASED PAYMENTS

At the end of September, Uponor Corporation's Board of Directors decided to launch a long-term incentive scheme for the members of the company's Executive Committee. To be eligible to participate in the scheme, an Executive Committee member must acquire a specific number of Uponor shares, as defined under the scheme, by the end of August 2008. Depending on the cumulative operating profit of Uponor during 2007-2011, and the number of shares acquired within the scheme, each Executive Committee member is eligible for being awarded Uponor shares in the spring 2012. Until now, the Executive Committee members have not acquired any Uponor shares under this scheme, and therefore have not participated in the programme yet. The incentive plan did not have any impact on the result during the third quarter.

In February, the members of the Executive Committee received 71,500 shares in compliance with the share-based incentive scheme published on 6 May 2004. The share-based payments were expensed during 2004-2006 according to the IFRS 2 standard.

RELATED-PARTY TRANSACTIONS

MEUR	1-9/2007	1-9/2006	1-12/2006
Net sales to associated companies	3.8	2.4	3.1
Balances at the end of the period			
Loan receivable from associated companies	1.1	1.1	1.1
Accounts and other receivables	0.7	0.6	0.4
Accounts and other liabilities	0.2	0.3	0.1

KEY FIGURES

MEUR	1-9/2007	1-9/2006	1-12/2006
Earnings per share, EUR	1.10	1.05	1.32
- diluted	1.10	1.05	1.32
Operating profit, %	13.1	13.1	12.4
Return on equity, %, cumulative	32.5	24.4	25.3
Return on investment, %, cumulative	41.0	34.8	35.8
Solvency ratio, %	43.0	57.2	53.6
Gearing, %	37.3	-5.0	6.3
Net interest-bearing liabilities	118.0	-21.1	21.7
Equity per share, EUR	4.32	5.82	4.71
- diluted	4.32	5.81	4.70
Trading prices of shares			
- low, EUR	20.00	18.00	18.00
- high, EUR	31.45	26.40	29.35
- average, EUR	26.97	21.43	22.73
Shares traded			
- 1,000 pcs	64,213	26,989	42,417
- MEUR	1,732	578	964

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

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