uponor

Q3

INTERIM REPORT 2009

INTERIM REPORT JANUARY – SEPTEMBER 2009

Markets gaining some stability after several quarters of decline

- Uponor's net sales for January–September came to EUR 559.7 (750.3) million, a change of –25.4%
- January–September operating profit was EUR 28.9 (71.1) million, a change of –59.4%
- Earnings per share came to EUR 0.13 (1.21)
- Return on investment was 7.1% (36.9%), with gearing at 41.7% (31.1%)
- No changes to the full-year guidance

(Figures for continuing operations, unless otherwise stated.)

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

- The business environment in Uponor's key markets continued to be very challenging in the third quarter, as we had anticipated. Restructurings and cost-savings implemented across our operations have helped us stay in shape, both in competitive terms and financially.
- Thanks to the committed efforts of our personnel, we managed a clear improvement in our profitability compared to the previous quarter, despite considerable one-time costs and with net sales remaining at the same level as in the second quarter.
- While many markets and segments are still deteriorating year-on-year, we are now seeing some stability in our main markets – for the first time since the autumn of 2007. Very much regarding the future depends on general macro-level developments.

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.

Uponor will hold a results briefing webcast in English on Tuesday 27 October at 14:00 (EET). Questions for the webcast can be sent to ir@uponor.com. The recorded webcast can be viewed at www.uponor.com > Investors on the following day.

Markets

Demand for construction in key Uponor markets continued to be subdued throughout the third quarter 2009. Aside from public revitalisation programmes initiated in several countries to stimulate activity, there was no significant improvement in demand in the residential and commercial building markets. Despite this, indications of a turn in market sentiment began to emerge in several markets.

In Central Europe, demand in the single-family and project segments declined both in Germany and its neighbouring countries. The competitive environment became tougher and the long-standing lack of business exercised pressure on smaller players in particular.

In Eastern Europe, the national markets chiefly continued at historically low levels but declined more slowly in comparison to the previous quarter. Overall, credit constraints impacted on construction activity, acting as a barrier to investment in new projects.

The Nordic building solutions markets showed some signs of improvement, mainly in Sweden and Norway, against the weak comparables for 2008. A clearly positive business impact was made by the renovation segment, supported, among other things, by public tax-based incentives.

In South and West Europe, building activity remained weak and the trend remained downwards, albeit at a slower pace. Overall, the market fell back clearly from already weak levels in 2008. In addition to the large inventory of unsold units, raising financing for current and new projects continued to be a major hurdle for builders and developers.

In North America, several key indicators showed improving figures against the previous quarter, but in comparison to the same quarter last year these changes remained mainly negative. However, an improving tendency was noted in some market health indicators, increasing optimism for the near-term future.

Business conditions in international export markets continued to be sluggish, with a tight financing environment amongst customers increasing the pressure on suppliers' margins.

The Nordic infrastructure solutions market continued to be fairly stable, but at a low level of activity, and no real growth is expected in the short-term. Demand in product groups related to civil engineering regained some momentum, supported by stimulus programmes, but its impact was more or less offset by the lack of demand from the residential and non-residential new-build markets. In the Baltic countries, activity within the infrastructure sector moved up a small notch, spurred by numerous European-funded projects.

Net sales

Uponor's net sales in July-September came to EUR 195.4 (249.1) million, down 21.6% from the comparison period. The decline was clearly less than the 27.7% drop in the second quarter, year-on-year.

The clear reason for the negative net sales development lay in the weak building and construction market in Uponor's principal geographic markets, for the ninth consecutive quarter since the autumn of 2007.

In Building Solutions – Europe, net sales in Central Europe showed a weakening trend as both the single-family residential and project business sectors experienced a softer period. Furthermore, the building market in the Benelux countries also contracted rapidly. In the Nordic markets, the currency impact weakened the euro-based net sales figures for Sweden and Norway, which were least affected by the recession. In Iberia, despite the notable regression, Uponor's indoor climate solutions progressed reasonably well, benefiting from increasing energy consciousness amongst customers. Also, project sales there achieved some successes. Europe-wide, plumbing offering sales showed a relatively good performance, supported by growing renovation activity and the strong position Uponor enjoys in this application market.

In North America, plumbing solutions benefited from improved activity levels in the residential new-build market, while heating offering sales continued to suffer from the softness of the high-end home market, in particular.

Net sales of Infrastructure Solutions followed the overall development of the markets, but turned out slightly better than in the previous quarters of this year.

Net sales by segment, July-September:

MEUR	7-9/2009	7-9/2008	Change
Building solutions – Europe	128.6	162.3	-20.8%
Building solutions - North-America	29.4	38.2	-23.2%
(Building solutions – North-America, USD	41.8	57.0	-26.8%)
Infrastructure solutions – Nordic	39.2	51.4	-23.7%
Eliminations	-1.8	-2.8	
Total	195.4	249.1	-21.6%

January-September net sales reached EUR 559.7m (750.3m), a year-on-year decline of 25.4%. This development represents a modest improvement on the sales performance in both the first and the second quarter of this year, mainly due to weaker comparisons.

The total impact of currency exchange rates on January-September net sales was EUR 8.8 million negative year-on-year, or 1.5%, mainly influenced by the weakened Swedish and Norwegian kronas, together with some other currencies, thus offsetting the opposite effect of the stronger US dollar.

Net sales by segment, January-September:

MEUR	1-9/2009	1-9/2008	Change
Building solutions – Europe	371.5	502.8	-26.1%
Building solutions - North-America	80.9	99.6	-18.8%
(Building solutions – North-America, USD	110.6	151.8	-27.2%)
Infrastructure solutions – Nordic	111.4	155.1	-28.2%
Eliminations	-4.1	-7.2	
Total	559.7	750.3	-25.4%

Results and profitability

Uponor's operating profit in July-September reached EUR 17.5 (22.8) million, down 23.5% year-on-year, representing an improved trend from the -57.3% drop in the second quarter. The operating profit margin at 8.9% almost reached the 9.1% in the third quarter of 2008.

Thanks to the efficiency improvements already achieved and the cost-savings initiatives currently underway, the decline in operating profit was only slightly steeper than in net sales. The reasons for the drop were mostly volume-driven but an additional burden arose due to the EUR 4.8 million in one-time costs for Building Solutions – Europe, originating in supply chain restructuring.

The positive development in Infrastructure Solutions, already reported in connection with the January-June results, continued and the segment recorded an improvement of 47.9% in operating profit, much of this due to careful cost management. Some impact also resulted from changes in the product mix.

In North America, despite lower volumes, operating profit improved both in local currencies and in euros, reflecting continued action to reduce and control overhead costs as well as from production efficiency gains.

Operating profit by segment, July-September:

MEUR	7-9/2009	7-9/2008	Change
Building solutions – Europe	8.5	20.5	-58.2%
Building solutions - North-America	4.2	1.6	+153.5%
(Building solutions – North-America, USD	5.6	2.4	+124.6%)
Infrastructure solutions – Nordic	5.9	4.0	+47.9%
Others	-1.3	-3.4	
Eliminations	0.2	0.1	
Total	17.5	22.8	-23.5%

Operating profit for January–September declined by 59.4%, totalling EUR 28.9 (71.1) million. The impact of currency changes on the operating profit was marginal. The operating profit margin remained at 5.2% against 9.5% in the equivalent period for 2008.

Operating profit by segment, January-September:

MEUR	1-9/2009	1-9/2008	Change
Building solutions – Europe	22.4	66.6	-66.3%
Building solutions – North-America	0.7	2.4	-70.8%
(Building solutions – North-America, USD	1.0	3.6	-73.9%)
Infrastructure solutions – Nordic	12.4	11.2	+10.8%
Others	-6.5	-9.0	
Eliminations	-0.1	-0.1	
Total	28.9	71.1	-59.4%

Profit before taxes for January–September came to EUR 19.1 (66.5) million, down 71.3% year-on-year. Taxes remained at EUR 5.3 (20.5) million, with a tax rate of 28.0 (31.0) per cent.

Profit for the period was EUR 9.6 (88.5) million, a decrease of 78.9 million euros, partly due to the fact that, in 2008, a profit of EUR 42.5 million from discontinued operations was reported, representing the divestment of the UK and Irish infrastructure business.

Earnings per share (basic and diluted) totalled 0.13 (1.21) euros, of which continuing operations represented 0.19 (0.63) euros. Equity per share was 3.46 (4.36) euros, basic and diluted.

Investment and financing

As a result of the continued weak business climate, investment activities remained cautious and were mainly focused on process and efficiency improvement. In North America, the construction of a new Uponor Academy training centre was set in motion. All told, investments for the third quarter remained at EUR 3.8 (8.2) million. Gross investment for January-September totalled EUR 12.7 (23.8) million, or 2.3 (3.2) per cent of net sales.

Gearing, remaining at the targeted level, rose to 41.7 (31.1) per cent, while net interest-bearing liabilities increased to 105.1 (99.3) million euros. The solvency ratio declined slightly to 46.6 (49.6).

As a result of lower sales volumes, net cash from operations remained at less than half of last year's level but, thanks to continued positive development in working capital and lower taxes, cash flow from business operations reached EUR 31.9 (55.1) million, a strong improvement on the second quarter. The period-end cash balance totalled EUR 7.9 (5.1) million.

At the end of the reporting period, Uponor had external funding commitments to the amount of EUR 262 million, of which the pension insurance company's reborrowing loan, maturing in 2009-2013, represents EUR 72 million. The remaining amount consists of revolving credit facilities maturing in 2011-2012 that were not utilised in the third quarter. In addition, the Group has a domestic commercial paper programme totalling EUR 150 million.

Return on investment (ROI) fell to 7.1% (36.9%) and return on equity (ROE) to 4.6% (36.2%).

Key events during the period

Uponor worked actively to develop its customer intimacy programmes. In Germany, the new customer loyalty programme received a favourable response from the target group, evidenced by the large number of professionals who enrolled. In the USA, a customer appreciation event was held at the Apple Valley facility, attracting more than 100 participants for plumbing and fire sprinkler certification and indoor climate controls training, among other things. Efforts continued to connect with customers through new media and, at the end of September, customers in 14 countries were already utilising Uponor's new harmonised web platform. To support the international expansion strategy, Uponor made system presentations to targeted new business contacts and distribution partners, yielding promising results.

Uponor's new indoor climate control system, based on dynamic energy management, saw its European introduction in phases during the third quarter. In addition to making the installation process easier, this product will yield end-users and building owners considerable energy savings, aligning it well with today's demand trends for environmentally friendly solutions.

In Iberia, Uponor was successful in its bid to provide TABS, an energy-efficient heating and cooling technology for two projects, the first of its kind in Iberia. In North America, Uponor continued the steady flow of new products into the market. These included a pre-insulated pipe for both energy and potable water uses and a low-flow assembly for residential fire sprinkler installation.

The supply chain development, a part of Uponor's integration process and connected with the European ERP implementation, progressed as planned within Building Solutions. During the quarter, special emphasis was placed on warehouse network and logistics optimisation Europe-wide.

In September, Uponor announced its plan, regarding the Infrastructure Solutions business, to restructure its supply chain in the Nordic countries, aiming to concentrate production on two large manufacturing centres. The execution of this plan is advancing, with no changes resulting from the employee consultation process. As of next year, the Fristad factory in southern Sweden will absorb the capacity of the Danish factory in Hadsund, where production will shut down. This plan includes increasing the capacity of the Nastola, Finland factory. In addition, two smaller specialised manufacturing units will remain. The optimisation of the manufacturing network is expected to bring major savings and benefits, effective in 2010 and fully in 2011. Uponor estimates that the initiative will result in net redundancies of close to 40 persons in the Nordic Infrastructure business by 2010.

Uponor organised a Capital Markets Day, a briefing session for investor audiences, in September presenting an update on the company's strategic agenda and some of its growth initiatives, as well as its plans regarding supply chain development in Europe.

Human resources and governance

The reported number of full-time-equivalent employees during the period under review averaged 3,463 (4,080), while at the end of the period there were 3,334 (3,934) full-time-equivalent employees, a reduction of 600 persons year-on-year. The biggest reductions took place in North America and in Building Solutions – Europe.

In September, Uponor Suomi Oy, a Finnish subsidiary, announced that it would cancel the additional layoffs for which the company had prepared itself in connection with the employee consultation process in the spring.

In August Uponor announced the re-establishment of the Board's nomination committee, based on nominations by the three biggest shareholders. Uponor will thus deviate from the Finnish Corporate Governance Code recommendation. The Board argues that, taking the company's ownership structure into account, a model in which the largest shareholders nominate the members of the nomination committee best serves the interests of shareholders as well as the goal of transparency. Since a shareholder passed up the opportunity to nominate a candidate, the nomination committee now consists of Mr. Pekka Paasikivi and Mr. Risto Murto, and Mr. Jari Paasikivi as a Board-appointed expert member. As early as April, the Board appointed an Audit Committee and further resolved that no separate remuneration committee would be established, since the Board itself would continue to fulfil its duties.

Share capital and shares

The number of Uponor shares traded on the NASDAQ OMX Helsinki stock exchange in the third quarter amounted to 11.8 (30.8) million shares, while the monetary value of the shares exchanged totalled 126.8 (287.4) million euros. The market value of the share capital at the end of the period was 0.8 (0.6) billion euros and the number of shareholders was 20,830 (17,715).

Uponor Corporation’s share capital remained constant at 146,446,888 euros and the number of shares at 73,206,944.

At the end of the report period, the company held 160,000 own shares, representing 0.2 per cent of the share capital and votes.

Events after the period under review

In October, Uponor revised its customer segmentation strategy so that the German subsidiary, Hewing GmbH, would be developed into a company serving the OEM sectors of the market only. This will have no notable impact on the Uponor-branded business.

In October, Uponor began consultation with its employees in Italy, on temporary lay-offs in the near-term future.

Short-term outlook

For nine consecutive quarters, Uponor has been reporting a deteriorating trend in its key markets globally. For the third quarter 2009, market developments in terms of residential construction seem to have stabilised to some extent and signals are emerging of improvements in market conditions and the appearance of new business opportunities. Despite this, there were still segments and market areas in which demand clearly weakened during the quarter. While a large inventory of unsold new and old units remained in Spain, inventories in many other regions have already become thinner, alongside shorter selling times and increasing unit prices. These signals would all indicate that the bottom of the trough has been reached and in some cases passed.

In terms of commercial and non-residential business, which largely maintained its resiliency until even late last year or early this year, the decline has clearly become stronger. No improvement is expected in that segment in the near future.

The positive effect of public stimulation programmes is expected to continue, its biggest impact being felt in parts of the infrastructure solutions business as well as in building renovations.

Overall, the business environment is thus expected to remain challenging. The longer-term developments in building and construction are naturally dependent on general macroeconomic developments.

In addition to the above, Uponor's financial performance may be affected by several strategic, operational, financial and hazard risks. A more detailed risk analysis is provided in the company's Annual Report. Moreover, Uponor is involved in various judicial proceedings in several countries. Uponor's management does not anticipate that these events will have a significant impact on the company's business in the foreseeable future.

As the financial year draws to a close, Uponor maintains its full-year guidance:
As a result of the difficult market situation, Uponor expects its net sales to remain below the 2008 level and its profit for the year 2009 is expected to be positive.
The Group's capital expenditure will not exceed depreciation in 2009, and with tight net working capital management, Uponor expects its cash flow to remain at a reasonable level.

Uponor Corporation
Board of Directors

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Information on the interim report

The figures in brackets in this interim report are the reference figures for the equivalent period in 2008. The change percentages reported have been calculated from exact figures, not from the rounded figures published.

INTERIM REPORT JANUARY-SEPTEMBER 2009

The figures in this interim report are unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-9/2009	1-9/2008	7-9/2009	7-9/2008	1-12/2008
Continuing operations					
Net sales	559.7	750.3	195.4	249.1	949.2
Cost of goods sold	356.3	470.8	123.6	158.5	607.4
Gross profit	203.4	279.5	71.8	90.6	341.8
Other operating income	0.3	0.6	0.0	0.0	1.4
Dispatching and warehousing expenses	24.2	23.1	8.9	7.3	30.2
Sales and marketing expenses	105.3	131.0	32.7	40.9	175.0
Administration expenses	34.0	39.3	9.4	12.9	50.8
Other operating expenses	11.3	15.6	3.3	6.7	36.0
Operating profit	28.9	71.1	17.5	22.8	51.2
Financial expenses, net	9.8	4.6	4.6	1.7	10.2
Profit before taxes	19.1	66.5	12.9	21.1	41.0
Income taxes	5.3	20.5	3.6	6.6	10.9
Profit for the period from continuing operations	13.8	46.0	9.3	14.5	30.1
Discontinued operations					
Profit for the period from discontinued operations	-4.2	42.5	-2.3	0.0	42.4
Profit for the period	9.6	88.5	7.0	14.5	72.5
Other comprehensive income					
Translation differences	-0.6	0.0	-1.5	7.8	5.2
Cash flow hedges	-0.1	0.0	-0.2	-0.7	-1.4
Other comprehensive income for the period	-0.7	0.0	-1.7	7.1	3.8
Total comprehensive income for the period	8.9	88.5	5.3	21.6	76.3
Earnings per share, EUR	0.13	1.21	0.10	0.20	0.99
- Continuing operations	0.19	0.63	0.12	0.20	0.41
- Discontinued operations	-0.06	0.58	-0.03	0.00	0.58
Diluted earnings per share, EUR	0.13	1.21	0.10	0.20	0.99
- Continuing operations	0.19	0.63	0.12	0.20	0.41
- Discontinued operations	-0.06	0.58	-0.03	0.00	0.58

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	30.9.2009	30.9.2008	31.12.2008
Assets			
Non-current assets			
Property, plant and equipment	172.5	180.3	184.5
Intangible assets	99.2	101.1	101.3
Securities and long-term investments	7.1	7.4	6.3
Deferred tax assets	16.2	15.3	17.0
Total non-current assets	295.0	304.1	309.1
Current assets			
Inventories	77.7	128.0	104.5
Accounts receivable	137.0	182.5	91.4
Other receivables	23.5	23.6	36.7
Cash and cash equivalents	7.9	5.1	53.2
Total current assets	246.1	339.2	285.8
Total assets	541.1	643.3	594.9
Shareholders’ equity and liabilities			
Shareholders’ equity	252.4	319.0	305.6
Non-current liabilities			
Interest-bearing liabilities	72.4	17.3	77.0
Deferred tax liability	9.8	11.4	8.1
Provisions	6.6	7.7	7.7
Employee benefits and other liabilities	18.5	20.9	21.3
Total non-current liabilities	107.3	57.3	114.1
Current liabilities			
Interest-bearing liabilities	40.6	87.1	36.8
Provisions	10.4	5.5	22.3
Accounts payable	46.9	68.9	50.1
Other liabilities	83.5	105.5	66.0
Total current liabilities	181.4	267.0	175.2
Total shareholders’ equity and liabilities	541.1	643.3	594.9

CONDENCED CONSOLIDATED STATEMENT OF CASH FLOW

MEUR	1-9/2009	1-9/2008	1-12/2008
Cash flow from operations			
Net cash from operations	41.9	97.5	85.0
Change in net working capital	9.2	-4.4	55.7
Income taxes paid	-16.5	-32.9	-39.8
Interest paid	-3.5	-6.2	-6.8
Interest received	0.8	1.1	1.3
Cash flow from operations	31.9	55.1	95.4
Cash flow from investments			
Proceeds from disposal of subsidiaries and businesses	-	76.4	76.4
Purchase of fixed assets	-12.7	-23.8	-39.0
Proceeds from sales of fixed assets	3.1	0.1	0.4
Received dividends	0.0	0.0	0.2
Loan repayments	0.0	0.1	0.2
Cash flow from investments	-9.6	52.8	38.2
Cash flow from financing			
Borrowings and repayments of debt	-4.0	-5.1	19.1
Dividends paid	-62.1	-102.5	-102.5
Purchase of own shares	-	-	-1.2
Payment of finance lease liabilities	-1.5	-1.5	-2.0
Cash flow from financing	-67.6	-109.1	-86.6
Conversion differences for cash and cash equivalents	0.0	0.0	-0.1
Change in cash and cash equivalents	-45.3	-1.2	46.9
Cash and cash equivalents at 1 January	53.2	6.3	6.3
Cash and cash equivalents at end of period	7.9	5.1	53.2
Changes according to balance sheet	-45.3	-1.2	46.9

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

MEUR	Share capital	Share premium	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total
Balance at 31 Dec 2008	146.4	50.2	0.8	-1.2	-16.4	125.8	305.6
Total comprehensive income for the period			-0.1		0.6	9.6	8.9
Dividend paid (EUR 0.85 per share)						-62.1	-62.1
Other adjustments			0.0			0.0	0.0
Balance at 30 Sep 2009	146.4	50.2	0.7	-1.2	-17.0	73.3	252.4
Balance at 31 Dec 2007	146.4	50.2	2.2	-	-24.1	158.3	333.0
Total comprehensive income for the period			0.0		0.0	88.5	88.5
Dividend paid (EUR 1.40 per share)						-102.5	-102.5
Other adjustments			0.1		-0.1	0.0	0.0
Balance at 30 Sep 2008	146.4	50.2	2.3	-	-24.2	144.3	319.0

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 2008 with the exception of changes listed below. Other adopted new and amended IFRS-standards and interpretations have not had material impact on reported figures.

IAS 1

The Group applies the IAS 1 (revised) presentation of financial statement standard as of 1 January 2009. IAS 1 standard has mainly changed the presentation of the income statement and the statement of changes in equity.

IFRS 8 Operating segments

IFRS 8 requires that reportable segment information, alongside the accounting principles observed therein, be based on internal reporting submitted to the corporate management.

As of 1 January 2009, Uponor's segment structure is based on three segments, determined on the basis of geographical regions and businesses in line with the new organisational structure announced on 1 September 2008. These reportable segments are Building Solutions – Europe, Building Solutions – North America and Infrastructure Solutions – Nordic. The risks and returns of these segments vary in terms of their market and business environment, product and service offering and customer structure.

Building Solutions – Europe is in charge of Uponor's building solutions businesses within Europe as well as exports to those non-European countries in which Uponor has neither production nor established sales offices. At Uponor, building solutions comprises mainly heating, cooling and plumbing systems for residential, commercial and public buildings. The related customer portfolio consists mainly of heating and plumbing contractors and construction companies.

Building Solutions – North America is responsible for Uponor's building solutions business in this region.

Infrastructure Solutions – Nordic is in charge of Uponor's infrastructure businesses in this region. Its products and services, such as municipal pressure-water pipe systems, sewer and wastewater systems, are sold to commercial and utility customers engaged in the new-building, renovation and modernisation of municipal infrastructure systems.

The segment 'Others' comprises Uponor's corporate functions as well as those group companies which have no business operations.

The setting and monitoring of financial targets is mainly focused on the various business units' net sales and operating profit, the monitoring of cost factors affecting operating profit, and the amount of net working capital. Group resources are managed, among other things, by allocating investments on the basis of business needs and by dimensioning personnel resources and competencies in line with business process needs.

Segment consolidation is based on Uponor's consolidated accounting principles. Inter-segment business operations are market-based, and all inter-segment sales and internal profits are eliminated in consolidated financial statements.

Comparative data for 2008 has been changed to comply with the new segment structure. Income statement items include each segment's continuing operations while balance sheet items are formed in line with the Group structure on each balance sheet date. In 2008, continuing operations did not include Uponor's infrastructure solutions business in Germany, which was divested in April, nor the infrastructure solutions business in the British Isles, whose divestment was finalised in June.

"Segment assets" include those balance sheet items which can be allocated to the various business segments, either directly or on justifiable grounds. These assets mainly consist of non-interest bearing assets, such as property, plant and equipment, intangible assets, inventories, accruals related to operations, accounts receivable and other receivables. The Group's external non-current receivables, cash and cash equivalents and interest-bearing liabilities are mainly included in the segment 'Others'.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

MEUR	1-9/2009	1-9/2008	1-12/2008
Gross investment	12.7	23.8	39.0
- % of net sales	2.3	3.2	4.1
Depreciation	23.4	23.6	31.8
Book value of disposed fixed assets	3.2	5.3	5.2

PERSONNEL

Converted to full time employees	1-9/2009	1-9/2008	1-12/2008
Average	3,463	4,353	4,211
At the end of the period	3,334	3,934	3,678

OWN SHARES

	30.9.2009	30.9.2008	31.12.2008
Own shares held by the company, pcs	160,000	-	160,000
- of share capital, %	0.2%	-	0.2%
- of voting rights, %	0.2%	-	0.2%

SEGMENT INFORMATION

MEUR	1-9/2009 External	1-9/2009 Internal	1-9/2009 Total	1-9/2008 External	1-9/2008 Internal	1-9/2008 Total
Segment revenue, continuing operations						
Building Solutions - Europe	370.4	1.1	371.5	501.1	1.7	502.8
Building Solutions - North America	80.9	-	80.9	99.6	-	99.6
Infrastructure Solutions - Nordic	108.4	3.0	111.4	149.6	5.5	155.1
Eliminations	-	-4.1	-4.1	-	-7.2	-7.2
Total	559.7	-	559.7	750.3	-	750.3

MEUR	7-9/2009 External	7-9/2009 Internal	7-9/2009 Total	7-9/2008 External	7-9/2008 Internal	7-9/2008 Total
Segment revenue, continuing operations						
Building Solutions - Europe	128.2	0.4	128.6	161.6	0.7	162.3
Building Solutions - North America	29.4	-	29.4	38.2	-	38.2
Infrastructure Solutions - Nordic	37.8	1.4	39.2	49.3	2.1	51.4
Eliminations	-	-1.8	-1.8	-	-2.8	-2.8
Total	195.4	-	195.4	249.1	-	249.1

MEUR	1-12/2008 External	1-12/2008 Internal	1-12/2008 Total
Segment revenue, continuing operations			
Building Solutions – Europe	632.7	2.6	635.3
Building Solutions - North America	130.8	-	130.8
Infrastructure Solutions – Nordic	185.7	6.4	192.1
Eliminations	-	-9.0	-9.0
Total	949.2	-	949.2

MEUR	1-9/2009	1-9/2008	7-9/2009	7-9/2008	1-12/2008
Segment result, continuing operations					
Building Solutions - Europe	22.4	66.6	8.5	20.5	65.6
Building Solutions - North America	0.7	2.4	4.2	1.6	-16.0
Infrastructure Solutions - Nordic	12.4	11.2	5.9	4.0	10.0
Others	-6.5	-9.0	-1.3	-3.4	-9.5
Eliminations	-0.1	-0.1	0.2	0.1	1.1
Total	28.9	71.1	17.5	22.8	51.2

MEUR	1-9/2009	1-9/2008	1-12/2008
Segment depreciation and impairments, continuing operations			
Building Solutions – Europe	11.3	11.4	15.3
Building Solutions - North America	4.6	4.1	5.6
Infrastructure Solutions – Nordic	4.0	4.4	5.9
Others	3.1	3.0	4.1
Eliminations	0.4	0.3	0.5
Total	23.4	23.2	31.4

MEUR	1-9/2009	1-9/2008	1-12/2008
Segment investments, continuing operations			
Building Solutions – Europe	4.8	11.1	16.0
Building Solutions - North America	3.1	8.2	14.4
Infrastructure Solutions – Nordic	3.5	2.0	4.7
Others	1.3	2.5	3.9
Total	12.7	23.8	39.0

MEUR	30.9.2009	30.9.2008	31.12.2008
Segment assets			
Building Solutions - Europe	415.0	470.5	417.0
Building Solutions - North America	111.4	120.3	121.8
Infrastructure Solutions - Nordic	82.1	91.5	67.5
Others	459.5	518.2	611.9
Eliminations	-526.9	-557.2	-623.3
Total	541.1	643.3	594.9
Segment liabilities			
Building Solutions - Europe	276.6	315.9	290.3
Building Solutions - North America	65.4	75.9	90.3
Infrastructure Solutions - Nordic	68.0	76.8	59.1
Others	430.0	429.7	490.9
Eliminations	-551.3	-574.0	-641.4
Total	288.7	324.3	289.2

	1-9/2009	1-9/2008	1-12/2008
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,464	2,830	2,803
Building Solutions - North America	422	560	532
Infrastructure Solutions - Nordic	515	623	605
Others	62	67	66
Total	3,463	4,080	4,006

Reconciliation

MEUR	1-9/2009	1-9/2008	1-12/2008
Segment result, continuing operations			
Segment results total	28.9	71.1	51.2
Financial expenses, net	9.8	4.6	10.2
Group's profit before taxes	19.1	66.5	41.0

CONTINGENT LIABILITIES

MEUR	30.9.2009	30.9.2008	31.12.2008
Group:			
Mortgages - on own behalf	-	-	0.0
Guarantees			
- on behalf of others	7.4	8.6	7.8
Parent company:			
Guarantees			
- on behalf of a subsidiary	9.3	7.6	9.0
- on behalf of others	6.9	7.1	7.0
OPERATING LEASE COMMITMENTS	29.0	33.5	31.9

DERIVATIVE CONTRACTS

MEUR	Nominal value 30.9.2009	Fair value 30.9.2009	Nominal value 30.9.2008	Fair value 30.9.2008	Nominal value 31.12.2008	Fair value 31.12.2008
Currency derivatives						
- Forward agreements	95.7	0.3	103.2	2.8	128.9	7.7
Commodity derivatives						
- Forward agreements	7.2	-1.7	5.9	1.0	7.4	-1.5

DISCONTINUED OPERATIONS

In 2008, the Group divested infrastructure businesses in the UK, Ireland and Germany. These have been classified as discontinued operations according to the IFRS 5 standard.

In 2009, the Group's discontinued operations recorded EUR 4.2m in post-divestment expenses in Ireland during second and third quarter, relating to larger than expected environmental cleaning costs in premises used by the municipal infrastructure business, divested in the summer of 2008.

MEUR	1-9/2009	1-9/2008	1-12/2008
Net sales	-	8.9	8.9
Expenses	4.1	9.9	10.0
Profit before taxes	-4.1	-1.0	-1.1
Income taxes	0.1	0.0	0.0
Profit after taxes	-4.2	-1.0	-1.1
Net profit from divestment of discontinued operations	-	43.5	43.5
Income taxes	-	-	-
Profit from divestment of discontinued operations	-	43.5	43.5
Profit for the period from discontinued operations	-4.2	42.5	42.4

Cash flow from discontinued operations			
Cash flow from operations	-4.6	-3.6	-3.4
Cash flow from investments	-	76.4	76.4

Book value of assets disposed

MEUR	1-9/2009	1-9/2008	1-12/2008
Property, plant and equipment	-	33.7	33.7
Deferred tax asset	-	1.9	1.9
Inventories	-	17.8	17.8
Accounts receivable and other receivables		25.1	25.1
Cash and cash equivalent	-	1.1	1.1
Total assets	-	79.6	79.6
Deferred tax liability	-	3.1	3.1
Employee benefits and other liabilities	-	4.3	4.3
Accounts payable and other current liabilities	-	33.2	33.2
Total liabilities	-	40.6	40.6
Net assets	-	39.0	39.0
Cash received from sales	-	77.5	77.5
Cash and cash equivalent disposed of	-	1.1	1.1
Cash flow effect	-	76.4	76.4

In addition to the cash received from sales, a 5.0 MEUR vendor loan note was issued at closing of the deal. Total sales price of the transaction was 82.5 MEUR.

RELATED-PARTY TRANSACTIONS

MEUR	1-9/2009	1-9/2008	1-12/2008
Continuing operations			
Purchases from associated companies	1.3	1.7	2.0
Balances at the end of the period			
Accounts payables and other liabilities	0.1	0.1	-

KEY FIGURES

	1-9/2009	1-9/2008	1-12/2008
Earnings per share, EUR	0.13	1.21	0.99
- continuing operations	0.19	0.63	0.41
- discontinued operations	-0.06	0.58	0.58
Operating profit (continuing operations), %	5.2	9.5	5.4
Return on equity, %, (p.a.)	4.6	36.2	22.7
Return on investment, %, (p.a.)	7.1	36.9	22.2
Solvency ratio, %	46.6	49.6	51.4
Gearing, %	41.7	31.1	19.8
Net interest-bearing liabilities	105.1	99.3	60.6
Equity per share, EUR	3.46	4.36	4.18
- diluted	3.46	4.36	4.18
Trading price of shares			
- low, EUR	6.80	8.21	6.10
- high, EUR	12.90	18.91	18.91
- average, EUR	9.01	12.67	12.04
Shares traded			
- 1,000 pcs	35,500	87,076	99,227
- MEUR	320	1,104	1,195

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

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