Q3

INTERIM REPORT 2010

INTERIM REPORT JANUARY-SEPTEMBER 2010

Uponor makes steady progress and improves profitability

- Building Solutions - Europe showed notable improvement in Q3; performance weakened in Infrastructure Solutions and Building Solutions - North America
- Net sales in July–September totalled EUR 205.5 million, up by 5.2%; operating profit EUR 23.5 million, up by 34.9%
- Net sales in Jan-Sept totalled EUR 567.5 (559.7) million; a change of +1.4%
- Operating profit in Jan-Sept totalled EUR 43.8 (28.9) million; a change of +51.7%
- Earnings per share in Jan-Sept were EUR 0.32 (0.13)
- Return on investment was 15.5% (7.1%), gearing 40.9% (41.7%)
- Cash flow from business operations in Jan-Sept came to EUR 7.9 (31.9) million
- Full-year guidance remains unchanged

(Figures for continuing operations, unless otherwise stated.)

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

- Building Solutions - Europe continues to improve its profitability, continuing a powerful trend which emerged already in Q1. This demonstrates that the implemented development efforts are paying off as planned. With the recovery in demand, net sales also developed favourably.
- In Infrastructure Solutions and in North America, net sales have developed weaker than anticipated, reflecting poor demand in the markets. In particular, the unstable economic performance in the US, signs of which were visible in Q2, has been disappointing.
- We are confident that the residential construction markets will continue their slow but steady recovery, with clear regional differences likely. Although the public and commercial building sector is likely to touch bottom soon, an upturn depends on the overall economic situation.

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.

Uponor will hold a webcast in English on Tuesday 26 October at 10:00 am. Questions for the webcast can be sent to ir@uponor.com. The webcast can also be viewed at www.uponor.com > Investors shortly after the financial information is published.

Uponor Corporation will release its financial statements for 2010 on 10 Feb. 2011. During the silent period from 1 Jan to 9 Feb Uponor does not comment on market prospects or factors affecting business and performance, nor does the company discuss events or trends related to the reporting period or the current fiscal period.

Markets

As anticipated in Uponor's interim report from the second quarter, the construction market has shown relatively stable development in July-September. Demand has picked up compared to last year's third quarter. Growth was mainly defined by the recovery in organic growth following a lengthy recession, as consumers regained their confidence in the economy. Here and there, growth generated by fiscal stimulus measures could still be witnessed.

In Central Europe, demand in the building solutions sector picked up from the previous year, in Germany in particular. This was also true of Austria, where there was a slow revival in consumers' willingness to invest. Demand in Benelux remained weak, mainly due to the poor situation in the Netherlands. Also the public and commercial construction sector demand showed some signals of improvement in Central Europe. This was partly due to the few construction projects underway being scheduled to occur during the season most favourable to construction.

As in the first and second quarters, demand in the Nordic countries, except Denmark, remained relatively strong. This positive development was mainly due to renovation and modernisation projects receiving public support. In addition, more new residential construction projects were initiated than last year.

Compared to the second quarter, no significant changes were observed in western and southern Europe. Year on year, overall demand continued to fall slightly. However, positive signs were also observed, such as rising prices of dwellings in Spain and the UK, and a higher number of building permits in France.

In Eastern Europe and eastern Central Europe development varies from country to country. The large markets of Russia and Poland have seen the most rapid growth as their national economies are recovering from the recession and domestic demand is reviving.

By the summer, the upward market trend observed in North America at the beginning of the year had petered out, as a result of the expiration of the tax deduction for homebuyers, and building and construction demand has not yet recovered. The decline is mostly attributable to the US, while the Canadian market has grown stronger year on year, although this growth rate has levelled somewhat since the first months of 2010.

In the Nordic countries, although the markets continued as per the first half, the infrastructure solutions demand showed some improvement over the comparable period last year. This was mainly due to increased demand for housing construction. This growth strengthened towards the end of the reporting period.

Competition in the building solutions and infrastructure markets remains fierce. As a result of declining demand, several product groups showed overcapacity. Furthermore, wholesalers are using their own brands to oust weaker suppliers. In some markets, cheap component suppliers from the Far East are trying to increase their share.

Net sales

Uponor Corporation's net sales in July-September grew by 5.2 per cent totalling EUR 205.5 (195.4) million. The effect of exchange rates on the changes in Uponor's net sales for July–September was EUR 6.6 million, year on year.

Net sales clearly increased in Building Solutions - Europe, whereas reported growth in North America was solely due to exchange rates. Net sales in the Infrastructure Solutions did not quite reach last year's figures.

In the Building Solutions business, sales of indoor climate systems were supported by the increased public interest in sustainable and energy saving systems, both in new-building and in renovation and modernisation projects. PEX and composite pipes continue to gain a stronger position in plumbing solutions. This trend was accelerated by the increase in copper prices. Furthermore, the recently launched composite pipe system and indoor climate control innovations further boosted Uponor's solution sales.

In Europe, a considerable amount of the year on year increase in net sales for building solutions was due to livelier business in the Nordic countries. The net sales of Building Solutions Europe increased slightly in every region except Central Europe.

Due to sluggish US demand, net sales development in North America was weak in the third quarter with net sales in local currencies falling short of the previous year. Uponor’s net sales development was also affected by the fact that the decline in construction was especially felt in some of the states important to the company. A focus on entry level home construction further reduced the size of the overall market.

Infrastructure sales recovered slightly from the low level of the first half of the year and rose, in the third quarter, close to last year's figures, despite slight reductions in the product portfolio. Net sales also increased as a result of the price increases that were implemented to reflect rises in raw material prices.

Net sales by segment, July-September:

MEUR	7-9/2010	7-9/2009	Change
Building Solutions – Europe	137.9	125.5	*9.9%*
Building Solutions – North America	29.9	29.4	*1.8%*
(Building Solutions – North America, USD	39.2	41.8	*–6.2%)*
Infrastructure Solutions	40.4	42.3	*–4.4%*
Eliminations	–2.7	–1.7	
Total	205.5	195.4	*5.2%*

January–September net sales totalled EUR 567.5 (559.7) million, up by 1.4 per cent year on year. Growth can be attributed to the favourable development of Building Solutions - Europe over the first three quarters and the positive development in North American net sales in the first two quarters.

The translation impact of currencies for January–September net sales was EUR 16.8 million in comparison to the previous year.

Net sales by segment, January-September:

MEUR	1-9/2010	1-9/2009	Change
Building Solutions – Europe	380.8	366.4	*3.9%*
Building Solutions – North America	87.9	80.9	*8.6%*
(Building Solutions – North America, USD	115.3	110.6	*4.2%)*
Infrastructure Solutions	104.9	116.5	*–9.9%*
Eliminations	–6.0	–4.1	
Total	567.5	559.7	*1.4%*

Results and profitability

Uponor's profitability saw a clear year-on year improvement. This was mainly due to streamlined operations, particularly in Building Solutions - Europe. Increased net sales also contributed to improved profitability.

The Group's consolidated gross profit for July-September totalled EUR 80.5 (71.8) million. This slight improvement was, among other things, attributable to price increases as well as changes in net sales concerning the mix between product groups.

Uponor's operating profit for July-September totalled EUR 23.5 (17.5) million, up by 34.9 per cent year on year. Profitability or operating profit margin improved to 11.4 per cent from the 8.9 per cent reported a year ago. In Europe, building solutions' profitability was burdened by greater than expected costs associated with short-term employment contracts during the summer holiday period, as well as the previously announced changes in the warehouse network. In North America, increased marketing expenses were a weight on the operating profit. The weak performance of infrastructure solutions business was mainly attributable to fierce competition and the inability to fully pass the rise in raw material prices onto sales prices in the tough competitive environment.

Operating profit by segment, July-September:

MEUR	7-9/2010	7-9/2009	Change
Building Solutions – Europe	21.5	8.3	*152.8%*
Building Solutions – North America	1.9	4.2	*–53.8%*
(Building Solutions – North America, USD	2.5	5.6	*–54.9%)*
Infrastructure solutions	2.2	6.1	*–61.9%*
Other	– 1.7	– 1.3	
Eliminations	–0.4	0.2	
Total	23.5	17.5	*34.9%*

Uponor's operating profit for January-September totalled EUR 43.8 (28.9) million, up by 51.7 per cent year on year. Profitability or operating profit margin improved to 7.7 per cent from the 5.2 per cent reported a year ago.

Operating profit by segment, January-September:

MEUR	1-9/2010	1-9/2009	Change
Building Solutions – Europe	46.9	22.4	*108.4%*
Building Solutions – North America	2.1	0.7	*198.4%*
(Building Solutions – North America, USD	2.7	1.0	*186.6%)*
Infrastructure solutions	1.3	12.4	*–89.1%*
Other	–6.3	–6.5	
Eliminations	–0.2	–0.1	
Total	43.8	28.9	*51.7%*

Since the third quarter, the Group's discontinued operations no longer involve soil cleaning measures associated with a factory property for sale. The soil cleaning was successfully completed during the second quarter.

Profit before taxes for July-September totalled EUR 22.0 (12.9) million. Taxes for the period amounted to EUR 6.6 (3.6) million, with a tax rate of 30.0 (28.0) per cent. Profit for the reporting period amounted to EUR 15.4 (9.3) million. Earnings per share were EUR 0.22 (0.12), both basic and diluted. Equity per share was EUR 3.40 (EUR 3.45), basic and diluted.

Investment and financing

The number of investments remained low during the period, no significant new projects being initiated. Gross investments came to EUR 9.4 (12.7) million, significantly less than depreciation, which amounted to EUR 22.4 (23.4) million.

Cash flow from business operations came to EUR 7.9 (31.9) million, less than a year earlier, mainly due to the increase in inventories. Additionally, working capital was tied down by higher receivables, resulting from improved sales in September. With a view to the cash flow performance, it is noteworthy that in 2009 the high inventory levels of the early part of the year were actively reduced, while in the current year, the low inventory level of the start to the year was gradually built up as demand increased.

The Group's financial position remained stable. To safeguard liquidity in the longer run, the maturity of bilateral credit limits was extended during the reporting period so that all credit limits will become due in 2015. At the end of September, EUR 56 million was left from the EUR 80 million of the company's pension contribution borrowed back from a Finnish pension insurance company. Available bilateral credit limits amounted to EUR 190 million, none of which was in use at the end of the reporting period. At period end, EUR 35.4 million of the EUR 150 million received from the domestic commercial paper programme was in use. In addition to forwards, currency options were introduced as a hedging instrument during the reporting period.

Uponor's gearing remained healthy. Net interest-bearing liabilities decreased to EUR 101.5 (105.1) million. The period-end cash balance totalled EUR 4.1 million (1 January 2010: EUR 13.2 million; 30 June 2010: EUR 6.8 million). Gearing decreased to 40.9 per cent (41.7 per cent), and remains in line with the set targets.

Key events

Uponor's marketing and sales organisations are being modernised in line with the current customer and market segments. So far, promising experiences have been gained from this segmentation.

An organisational change concerning Building Solutions - Europe was implemented in September. The aim was to speed up decision-making and bring the customer interface closer to product group development.

New ways of intensifying co-operation were sought with existing partners, especially in the marketing segment. To gain a stronger position in the related markets, some new distribution agreements were made in Eastern Europe.

The work to improve the efficiency of Uponor's supply chain continued, in accordance with the company strategy, utilising the European-wide ERP platform. The system will soon be implemented in the infrastructure business, and plans have been laid for putting the system into production by the end of the year. In Central Europe, earlier announced warehouse closures and mergers were completed, rendering the storage of building solutions products more efficient.

In California, USA, PEX tap water systems were approved for use in plumbing systems within buildings. This is the result of major efforts over the last ten years or more. The use of PEX systems is already conditional on the approval of several local jurisdictions. However, inclusion in the state plumbing code will open up new business opportunities in larger cities such as Los Angeles, San Diego and San Francisco.

Intensive marketing efforts of the new products and solutions introduced at the beginning of the year were continued. A common marketing campaign was organised to launch the new energy-saving and easy-to-install indoor climate control system in Eastern Europe. In Finland, deliveries were initiated of the modular CEFO system launched last year. These are designed to facilitate plumbing renovation in blocks of flats.

In September, a new rain and surface water management system, with a pipe structure designed to facilitate easier installation and measurement, was launched in the infrastructure markets. This new system is targeted at communities where controlling large amounts of storm water has become an issue due to recent increases in rainfall.

In Sweden, Uponor signed a major delivery contract for the IKANO shopping centre, which is currently under construction. Uponor's composite pipe systems will be installed in the shopping centre, while its snow and ice melting systems will be installed in outdoor areas.

Human resources and administration

The number of Group full-time-equivalent employees in January - September averaged 3,221 (3,463), showing a reduction of 244 employees from the same period in 2009. At the end of the period, the Group had 3,233 (3,334) employees, a reduction of 101 from the end of the comparison period and of 83 from the end of 2009.

Significant restructuring programmes affecting personnel were not implemented during the reporting period.

A member of Uponor Corporation's Executive Committee, Georg von Graevenitz (63), Executive Vice President, Group Marketing, responsible for group marketing and communications, and the infrastructure business, retired on a part-time basis on 1 October 2010, and will retire completely by the end of 2011. He left the Executive Committee on 1 September and currently functions as Executive Advisor, reporting to the President and CEO. As of 1 September, Mr. Robin Carlsson (44), M.Sc. (Tech) and a citizen of Sweden, was appointed a member of the Executive Committee, responsible for the infrastructure business. His responsibilities also include the Group's technology development and product and system development in Europe.

As of 1 September, the following further changes in Uponor's Executive Committee concerning the Building Solutions business came into effect: Heiko Folgmann, Executive Vice President, Central & Eastern Europe, responsible for sales and marketing in the region, assumed responsibility for the Indoor Climate Solutions business group in addition to his current responsibilities, and Fernando Roses Executive Vice President, North, South & West Europe, responsible for sales and marketing in the region, assumed responsibility for the Plumbing Solutions business group in addition to his current responsibilities. These changes contribute towards the further development of the Building Solutions organisation in Europe, with the aim of speeding up decision-making and bringing the customer interface close to product group development. Mr. Jukka Kallioinen, Executive Vice President, Offering and Development, will leave the company in the autumn of 2010.

Share capital and shares

A total of approximately 8.6 (11.8) million Uponor shares were traded on the Helsinki Stock Exchange during the third quarter. The total value of shares traded stood at EUR 100.7 (126.8) million. The market value of the share capital at the end of the period was EUR 0.9 (0.8) billion, and the number of shareholders was 23,410 (20,830).

Uponor Corporation's share capital remained unchanged. The share capital amounted to EUR 146,446,888 and the number of shares was 73,206,944.

On 30 September 2010, the company held 160,000 own shares, representing 0.2 per cent of the share capital and votes. These shares were acquired in the final quarter of 2008 for use in the company's share-based incentive programme.

The Annual General Meeting held on 17 March 2010 authorised the Board to resolve, within one year of the date of the meeting, to buy back the company's own shares using distributable earnings from unrestricted equity. The Board may buy back a maximum of 3.5 million shares, amounting to 4.8 per cent of the total number of company shares. This authorisation has not been exercised.

Short-term outlook

In Uponor's key market areas, the outlook in the construction markets is mainly stable and even encouraging in places. A steady increase has been witnessed in demand this year. In the Nordic countries, this improvement exceeded expectations. In the near future, this positive development is expected to extend to new market areas. The first signs of this are already visible in Europe's German-speaking markets and in leading markets in Eastern Europe. The weakening trend of the West and South European markets is expected to come to an end. In North America, the development of the US market is likely to continue at a slow pace, while demand in Canada should remain stable.

The major threat to the slow but steady upwards trend lies in the slow recovery of national economies from the long recession. Any cracks in the stability of the global financial market are also likely to place a strain on companies' business opportunities, while negatively affecting consumers' willingness to invest.

Over recent years, Uponor has implemented restructuring and efficiency enhancement programmes, while improving the company's profitability in a challenging market situation and maintaining a strong, balance sheet structure. At the same time, the company has succeeded relatively well in increasing its prices, despite the harsh competitive situation.

Together with ever stricter environmental and building regulations, current concerns about the environment and energy consumption are creating future growth opportunities for Uponor in existing and new markets. Following its extensive internal restructuring and modernisation programme, Uponor will focus on initiatives promoting profitable growth.

Uponor’s financial performance can always be affected by a range of strategic, operational, financial and hazard risks. A more detailed risk analysis is provided in the company’s Annual Report.

Under these circumstances, Uponor maintains its full-year guidance: Uponor's net sales in 2010 are expected to remain level with 2009, and operating profit is expected to improve from last year's reported operating profit. The Group’s fixed-asset investments are not expected to exceed depreciation, and efficient net working capital management measures will help retain the Group’s cash flow 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 2009. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

INTERIM REPORT 1-9/2010

The figures in this interim report are unaudited.

CONDENCED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-9/2010	1-9/2009	7-9/2010	7-9/2009	1-12/2009
Continuing operations					
Net sales	567.5	559.7	205.5	195.4	734.1
Cost of goods sold	347.5	356.3	125.0	123.6	463.0
Gross profit	220.0	203.4	80.5	71.8	271.1
Other operating income	1.8	0.3	0.7	0.0	4.2
Dispatching and warehousing expenses	22.7	24.2	7.8	8.9	32.4
Sales and marketing expenses	109.2	105.3	35.2	32.7	140.1
Administration expenses	34.5	34.0	10.9	9.4	45.0
Other operating expenses	11.6	11.3	3.8	3.3	16.6
Operating profit	43.8	28.9	23.5	17.5	41.2
Financial expenses, net	8.9	9.8	1.5	4.6	12.7
Profit before taxes	34.9	19.1	22.0	12.9	28.5
Income taxes	10.5	5.3	6.6	3.6	11.3
Profit for the period from continuing operations	24.4	13.8	15.4	9.3	17.2
Discontinued operations					
Profit for the period from discontinued operations	-1.3	-4.2	-0.4	-2.3	-5.7
Profit for the period	23.1	9.6	15.0	7.0	11.5
Other comprehensive income					
Translation differences	9.8	-0.6	-7.3	-1.5	2.4
Cash flow hedges	0.5	-0.1	0.1	-0.2	0.5
Net investment hedges	-6.5	-	-0.2	-	-
Other comprehensive income for the period	3.8	-0.7	-7.4	-1.7	2.9
Total comprehensive income for the period	26.9	8.9	7.6	5.3	14.4
Earnings per share, EUR	0.32	0.13	0.21	0.09	0.16
- Continuing operations	0.34	0.19	0.22	0.12	0.24
- Discontinued operations	-0.02	-0.06	-0.01	-0.03	-0.08
Diluted earnings per share, EUR	0.32	0.13	0.21	0.09	0.16
- Continuing operations	0.34	0.19	0.22	0.12	0.24
- Discontinued operations	-0.02	-0.06	-0.01	-0.03	-0.08

CONDENCED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	30.9.2010	30.9.2009	31.12.2009
Assets			
Non-current assets			
Property, plant and equipment	169.1	172.5	175.1
Intangible assets	98.8	99.2	101.5
Securities and long-term investments	8.0	7.1	7.5
Deferred tax assets	15.2	16.2	12.0
Total non-current assets	291.1	295.0	296.1
Current assets			
Inventories	89.5	77.7	74.3
Accounts receivable	141.0	137.0	88.2
Other receivables	16.6	23.5	26.8
Cash and cash equivalents	4.1	7.9	13.2
Total current assets	251.2	246.1	202.5
Total assets	542.3	541.1	498.6
Shareholders' equity and liabilities			
Shareholders' equity	248.4	252.4	258.0
Non-current liabilities			
Interest-bearing liabilities	53.4	72.4	60.2
Deferred tax liability	10.0	9.8	9.7
Provisions	5.9	6.6	5.7
Employee benefits and other liabilities	21.8	18.5	22.1
Total non-current liabilities	91.1	107.3	97.7
Current liabilities			
Interest-bearing liabilities	52.2	40.6	17.6
Provisions	5.9	10.4	12.7
Accounts payable	50.4	46.9	45.0
Other liabilities	94.3	83.5	67.6
Total current liabilities	202.8	181.4	142.9
Total shareholders' equity and liabilities	542.3	541.1	498.6

CONDENCED CONSOLIDATED STATEMENT OF CASH FLOW

MEUR	1-9/2010	1-9/2009	1-12/2009
Cash flow from operations			
Cash flow before net working capital	57.9	41.9	65.7
Change in net working capital	-44.9	9.2	25.9
Income taxes paid	-3.0	-16.5	-8.5
Interest paid	-2.6	-3.5	-5.2
Interest received	0.5	0.8	0.9
Cash flow from operations	7.9	31.9	78.8
Cash flow from investments			
Acquisition of subsidiary shares	-	-	-1.9
Purchase of fixed assets	-9.4	-12.7	-24.0
Proceeds from sales of fixed assets	3.1	3.1	7.3
Received dividends	0.0	0.0	0.2
Loan repayments	0.1	0.0	0.2
Cash flow from investments	-6.2	-9.6	-18.2
Cash flow from financing*)			
Borrowings of debt	67.6	53.8	53.8
Repayments of debt	-65.0	-68.0	-89.1
Change in other short term debt	24.3	10.2	-1.1
Dividends paid	-36.5	-62.1	-62.1
Payment of finance lease liabilities	-1.2	-1.5	-2.0
Cash flow from financing	-10.8	-67.6	-100.5
Conversion differences for cash and cash equivalents	0.0	0.0	-0.1
Change in cash and cash equivalents	-9.1	-45.3	-40.0
Cash and cash equivalents at 1 January	13.2	53.2	53.2
Cash and cash equivalents at end of period	4.1	7.9	13.2
Changes according to balance sheet	-9.1	-45.3	-40.0

*) 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.

STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Share premium	Other reserves*	Trans-lation reserve	Treasury shares	Retained earnings	Total
Balance at 31 Dec 2009	146.4	50.2	1.3	-14.0	-1.2	75.3	258.0
Total comprehensive income for the period			-6.0	9.8		23.1	26.9
Dividend paid (EUR 0.50 per share)						-36.5	-36.5
Other adjustments			0.0			0.0	-
Balance at 30 September 2010	146.4	50.2	-4.7	-4.2	-1.2	61.9	248.4
Balance at 31 Dec 2008	146.4	50.2	0.8	-16.4	-1.2	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	-
Balance at 30 September 2009	146.4	50.2	0.7	-17.0	-1.2	73.3	252.4

*) Includes a EUR –6.5 m effective portion of the net investment hedge.

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 2009, with the exception of the changes listed below.

Hedge accounting

Hedges of net investments in foreign operations are accounted for from the beginning of 2010 for certain designated internal loans as defined by Group Treasury Committee. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in other reserves. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The application of net investment hedges did not result in any one-time effects.

Operating segments

Since 1 January 2009, Uponor has applied three segments in its financial reporting. These were defined based on geographic regions and businesses in accordance with the Group organisational structure effective from 1 October 2008 onwards, as follows:
 Building Solutions - Europe
 Building Solutions - North America
 Infrastructure Solutions - Nordic.

On 1 Jan 2010, the following redefinitions were implemented: the reporting of the Estonian and Latvian businesses was split between Building Solutions and Infrastructure Solutions, in contrast to the earlier practice of including everything within Building Solutions - Europe. In addition, the ventilation and ground energy product groups that were part of Infrastructure Solutions are now classified as belonging to Building Solutions - Europe.

The impact of these redefinitions on segment sizes is small.

The names of the reporting segments, since 1 Jan 2010, are:
Building Solutions - Europe
Building Solutions - North America
Infrastructure Solutions.

Despite the above, small sales volumes of infrastructure products in north-eastern Europe will continue to be included in the segment Building Solutions - Europe. The size of this business is marginal.

Comparative data for 2009 has been changed to comply with the new structure.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

MEUR	1-9/2010	1-9/2009	1-12/2009
Gross investment	9.4	12.7	27.4
- % of net sales	1.7	2.3	3.7
Depreciation	22.4	23.4	32.0
Write downs	-	-	0.5
Book value of disposed fixed assets	2.8	3.2	4.6

PERSONNEL

Converted to full time employees	1-9/2010	1-9/2009	1-12/2009
Average	3,221	3,463	3,426
At the end of the period	3,233	3,334	3,316

OWN SHARES	30.9.2010	30.9.2009	31.12.2009
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, MEUR	0.3	0.3	0.3

SEGMENT INFORMATION

		1-9/2010			1-9/2009	
MEUR	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions - Europe	380.1	0.7	380.8	365.6	0.8	366.4
Building Solutions - North America	87.9	-	87.9	80.9	-	80.9
Infrastructure Solutions	99.5	5.4	104.9	113.2	3.3	116.5
Eliminations	-	-6.1	-6.1	-	-4.1	-4.1
Total	567.5	-	567.5	559.7	-	559.7

MEUR	External	7-9/2010 Internal	Total	External	7-9/2009 Internal	Total
Segment revenue, continuing operations						
Building Solutions - Europe	137.6	0.3	137.9	125.2	0.3	125.5
Building Solutions - North America	29.9	-	29.9	29.4	-	29.4
Infrastructure Solutions	38.0	2.4	40.4	40.8	1.5	42.3
Eliminations	-	-2.7	-2.7	-	-1.8	-1.8
Total	205.5	-	205.5	195.4	-	195.4

MEUR	External	1-12/2009 Internal	Total
Segment revenue, continuing operations			
Building Solutions – Europe	481.1	1.1	482.2
Building Solutions - North America	109.0	-	109.0
Infrastructure Solutions	144.0	4.1	148.1
Eliminations	-	-5.2	-5.2
Total	734.1	-	734.1

MEUR	1-9/2010	1-9/2009	7-9/2010	7-9/2009	1-12/2009
Segment result, continuing operations					
Building Solutions - Europe	46.9	22.4	21.5	8.4	32.6
Building Solutions - North America	2.1	0.7	1.9	4.2	3.9
Infrastructure Solutions	1.3	12.4	2.2	6.0	14.2
Others	-6.3	-6.5	-1.7	-1.3	-9.3
Eliminations	-0.2	-0.1	-0.4	0.2	-0.2
Total	43.8	28.9	23.5	17.5	41.2

MEUR	1-9/2010	1-9/2009	1-12/2009
Segment depreciation and impairments, continuing operations			
Building Solutions – Europe	9.6	11.3	16.2
Building Solutions - North America	5.0	4.6	6.1
Infrastructure Solutions	4.2	4.0	5.5
Others	3.2	3.1	4.1
Eliminations	0.4	0.4	0.6
Total	22.4	23.4	32.5
Segment investments, continuing operations			
Building Solutions – Europe	3.8	4.8	0.5
Building Solutions - North America	3.1	3.1	5.1
Infrastructure Solutions	2.2	3.5	20.1
Others	0.3	1.3	1.7
Total	9.4	12.7	27.4

MEUR	30.9.2010	30.9.2009	31.12.2009
Segment assets			
Building Solutions - Europe	426.9	410.0	393.0
Building Solutions - North America	126.5	111.4	118.1
Infrastructure Solutions	96.7	87.1	80.4
Others	458.0	459.5	509.9
Eliminations	-565.8	-526.9	-602.8
Total	542.3	541.1	498.6
Segment liabilities			
Building Solutions - Europe	288.1	275.9	281.3
Building Solutions - North America	74.3	65.4	69.7
Infrastructure Solutions	70.1	68.7	60.0
Others	449.5	430.0	451.2
Eliminations	-588.1	-551.3	-621.6
Total	293.9	288.7	240.6

	1-9/2010	1-9/2009	1-12/2009
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,224	2,444	2,416
Building Solutions - North America	430	422	422
Infrastructure Solutions	506	535	527
Others	61	62	61
Total	3,221	3,463	3,426

Reconciliation

MEUR	1-9/2010	1-9/2009	1-12/2009
Segment result, continuing operations			
Segment results total	43.8	28.9	41.2
Financial expenses, net	-8.9	-9.8	-12.7
Group's profit before taxes	34.9	19.1	28.5

CONTINGENT LIABILITIES

MEUR	30.9.2010	30.9.2009	31.12.2009
Group:			
Pledges			
- on own behalf	0.0	-	0.0
Mortgages			
- on own behalf	-	-	0.0
Guarantees			
- on own behalf	0.1	-	0.1
- on behalf of others	7.1	7.4	7.4
Parent company:			
Guarantees			
- on behalf of a subsidiary	11.0	9.3	10.0
- on behalf of others	6.9	6.9	6.9
OPERATING LEASE COMMITMENTS	31.3	29.0	30.1

DERIVATIVE CONTRACTS

MEUR	Nominal value 30.9.2010	Fair value 30.9.2010	Nominal value 30.9.2009	Fair value 30.9.2009	Nominal value 31.12.2009	Fair value 31.12.2009
Currency derivatives						
- Forward agreements	162.0	-1.0	95.7	0.3	115.1	-0.6
- Currency options, bought	24.7	0.6	-	-	-	-
- Currency options, sold	26.9	-0.0	-	-	-	-
Commodity derivatives						
- Forward agreements	5.5	0.1	7.2	-1.7	7.2	-0.7

DISCONTINUED OPERATIONS

In 2010 and 2009, the discontinued operations include costs related to the soil cleaning of the real estate premises that were occupied by the Irish infrastructure business sold in 2008. These soil decontamination measures were successfully completed during the second quarter.

MEUR	1-9/2010	1-9/2009	1-12/2009
Expenses	1.3	4.1	5.7
Profit before taxes	-1.3	-4.1	-5.7
Income taxes	0.0	0.1	0.0
Profit after taxes	-1.3	-4.2	-5.7
Profit for the period from discontinued operations	-1.3	-4.2	-5.7
Cash flow from discontinued operations			

Cash flow from operations	-1.5	-4.6	-5.2

RELATED-PARTY TRANSACTIONS

MEUR	1-9/2010	1-9/2009	1-12/2009
Continuing operations			
Purchases from associated companies	1.0	1.3	1.7
Balances at the end of the period			
Accounts payables and other liabilities	0.1	0.1	0.0

KEY FIGURES

	1-9/2010	1-9/2009	1-12/2009
Earnings per share, EUR	0.32	0.13	0.16
- continuing operations	0.34	0.19	0.24
- discontinued operations	-0.02	-0.06	-0.08
Operating profit (continuing operations), %	7.7	5.2	5.6
Return on equity, % (p.a.)	12.1	4.6	4.1
Return on investment, % (p.a.)	15.5	7.1	8.1
Solvency ratio, %	45.8	46.6	51.8
Gearing, %	40.9	41.7	25.0
Net interest-bearing liabilities	101.5	105.1	64.6
Equity per share, EUR	3.40	3.45	3.53
- diluted	3.40	3.45	3.53
Trading price of shares			
- low, EUR	10.58	6.80	6.80
- high, EUR	15.66	12.90	15.10
- average, EUR	12.78	9.01	9.95
Shares traded			
- 1,000 pcs	28,332	35,500	45,815
- MEUR	362	320	456

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, %

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

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

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