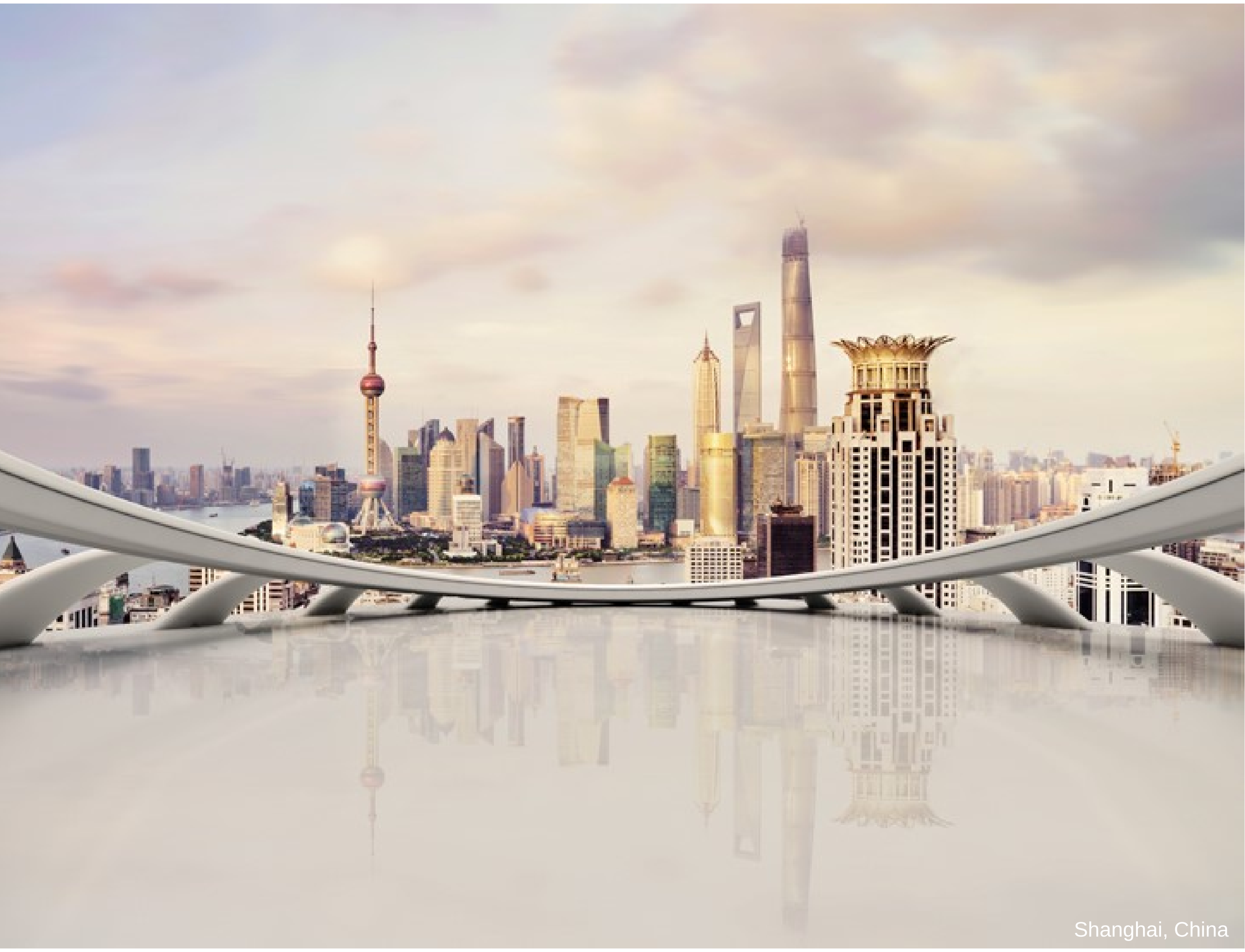
Shanghai, China

Interim report
January – September 2017

27 October 2017

INTERIM REPORT JANUARY – SEPTEMBER 2017

Uponor's good progress in the third quarter offsets the shortfall in the second quarter

- Net sales in July – September totalled €317.5 (284.1) million, with growth at 11.8%
- All segments grew their business, the strongest growth being reported in Building Solutions – North America
- Operating profit for July – September came to €40.4 (25.1) million, up 60.9%, mainly driven by higher net sales and cost savings from the transformation programmes completed in the second quarter of 2017; the comparable operating profit in July – September came to €40.4 (29.0) million, with growth at 38.9%
- The Supreme Administrative Court ruling on 13 September 2017, concerning Uponor's 2016 tax appeals, had a €5.2 million positive impact on net profit during the quarter, of which €3.6 million is recognised as financial income and €1.6 million as tax income
- Net sales in January – September totalled €891.0 (830.5) million, with growth at 7.3%
- Operating profit for January – September came to €77.9 (63.5) million, a change of 22.7%; the comparable operating profit in January – September came to €79.2 (74.6) million, a change of 6.0%
- January – September earnings per share were €0.64 (0.47)
- The January – September return on investment was 19.4% (16.9%), and gearing on 30 September was 48.2% (56.6%)
- The January – September cash flow from business operations came to €65.4 (22.0) million
- Uponor repeats its full-year guidance announced on 13 February 2017: the Group's net sales and comparable operating profit are expected to improve from 2016, assuming that economic development continues undisturbed in Uponor's key geographies

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

- I am pleased to report that, as anticipated, Building Solutions – North America has recovered from the temporary production issue experienced in the second quarter, and deliveries to customers, which are still partly on allocation, are running reliably. As we enter a slower season, with new production lines and operations running at full speed, deliveries should improve further. We have broken several monthly production records lately and target new records as the two manufacturing expansions announced in 2017 take effect in 2018.
- Building Solutions – Europe reports positive net sales development in several national markets and the benefits from the transformation programme initiated in the fourth quarter of 2015 are kicking in fully, supporting profitability development. To achieve stronger growth throughout the geographies, the segment has redirected its resources to improving Uponor's value proposition in strategic focus areas and in key customer segments.
- Earlier in 2017, Uponor Infra announced price increases to compensate for raw material price increases occurring in the first two quarters. After successful execution, the segment is now reporting favourable net sales development and the year-to-date comparable operating profit exceeds that of the prior year.
- Looking beyond just one quarter's figures, and combining the second and third quarter together, our year-over-year net sales growth slightly exceeded 7%, following the trend witnessed in the first quarter, and is well in line with our long-term targets.

Group key financial figures

Consolidated income statement (continuing operations), M€	1-9 2017	1-9 2016	2016	2015	2014	2013
Net sales	891.0	830.5	1,099.4	1,050.8	1,023.9	906.0
Operating expenses	786.8	737.8	991.0	942.7	926.4	823.6
Depreciation and impairments	29.1	31.6	41.6	39.1	36.5	33.0
Other operating income	2.8	2.4	4.2	2.4	2.4	0.8
Operating profit	77.9	63.5	71.0	71.4	63.4	50.2
Comparable operating profit	79.2	74.6	90.7	75.8	67.7	55.2
Financial income and expenses	-2.9	-7.2	-10.0	-8.9	-7.4	-7.1
Profit before taxes	73.4	56.5	60.4	62.8	56.3	43.2
Result from continuing operations	50.3	35.6	41.5	37.1	36.3	27.1
Profit for the period	50.3	36.0	41.9	36.9	36.0	26.8
Earnings per share	0.64	0.47	0.58	0.51	0.50	0.38

Information on the January – September 2017 interim report
This report has been compiled in accordance with the IAS 34 reporting standards and is unaudited. The figures in brackets are the reference figures for the equivalent period in the previous year. Any change percentages are calculated from the exact figures and not the rounded figures published here.

Webcast of the results briefing and the presentation
A webcast in English will be broadcast on 27 October at 10:00 EET. It can be viewed via our website at investors.uponor.com or via the Uponor IR mobile app. The recorded webcast can be viewed via the website or the Uponor IR mobile app shortly after the live presentation. All presentation materials will be available at investors.uponor.com > News & downloads.

Next interim results
Uponor Corporation will publish its financial statements 2017 bulletin on Thursday 15 February 2018. During the silent period from 1 January to 15 February 2018, Uponor will not comment on market prospects or factors affecting business and performance, nor will the company engage in any discussion of events or trends related to the reporting period or the current fiscal period.

Markets

Construction activity in Uponor's key building markets remained at a healthy level during the quarter. Markets in Europe remained solid on the whole, with builders continuing to report improvements in their order books and the level of building activity. In North America, growth continued in Uponor's key market segments, but at a reduced rate compared to recent years.

In Uponor's largest Central European market, Germany, the strong economy continued to drive demand, while shortages of skilled labour in the industry continued to constrain building activity. Residential construction activity was robust, especially in new multi-family homes, while growth in the single-family home segment remained softer. The significantly larger renovation segment continued mostly flat. On the non-residential side, some growth was visible compared to 2016 levels. In the Netherlands, the growth rate has slightly moderated from earlier periods, but the industry remains healthy.

Despite variations between countries and building segments, the construction markets in Southern Europe continued to develop positively overall compared to the third quarter of last year. The Spanish market continued to grow, although from a low base, and activity in France gained additional momentum. The UK market remained generally sound despite widespread political uncertainties.

The markets in the Nordic region continued to expand. In Sweden, notable growth in both the residential and non-residential segments was sustained, year-over-year. Construction markets in Denmark, Finland and Norway continued to grow as well, but at a lower rate. In particular, the residential segments are driving growth there, while non-residential construction remains largely in line with 2016. However, reports of labour shortages across the region have increased in step with building volume growth, which is likely to delay or prolong some projects.

Construction activity in North America remained largely healthy. In Uponor's largest national market, the USA, home builder confidence is high and building activity continued to improve in the residential segment, albeit at a reduced rate from that witnessed earlier in the decade. Non-residential spending has largely been on a par with 2016, but growth has been reported in the office and commercial segments. In Canada, home construction is being fuelled by significant increases in home prices.

With regard to Uponor's infrastructure solutions, civil engineering expenditures in the Nordic countries remained modest, but steady, with Sweden reporting good growth. In Canada, the significant fall in industrial investments witnessed during 2015-2016 has bottomed out and demand has picked up in Uponor's core market segments.

The third quarter 2017 saw several abnormal weather and storm patterns and hazards developing in the regions where Uponor operates, especially in North America. Such developments may influence the operations at Uponor and among key stakeholders, such as demand/supply challenges, both in the short and in the longer term. To date, the impact on Uponor's operations has been marginal, but Uponor is monitoring developments.

Net sales

Uponor's consolidated net sales for the third quarter 2017 reached €317.5 (284.1) million, up 11.8%. There was a small impact from the USD, RUB and SEK on consolidated net sales, but the total net currency impact was marginal.

Building Solutions – Europe reported net sales of €136.3 (127.4) million, up 7.1%. With the exception of Finland, net sales growth was reported in all key countries, particularly Austria, the Netherlands, Norway, Sweden and Spain. The segment's largest market, Germany, reported small year-over-year growth in net sales in a market where lower-value proposition private label brands are playing an active role. A pick-up was also noted in export markets, in several Eastern European countries as well as in Russia, where the business benefited from the lively autumn season supported by an increased sales force and new client acquisitions. Throughout the segment, both plumbing and indoor climate offerings had a solid performance, and a recovery was noted in the local heat distribution business. Net sales also developed well with regard to pre-fabricated products, such as the family of Uponor Port solutions mainly originating from the acquired Delta and KaMo businesses, which are helping to solve capacity issues in installation and planning.

Reported as part of the Building Solutions – Europe segment, net sales in Asia continued to grow despite government-driven cooling measures influencing the real estate market in China. Uponor's latest factory, in Taicang, China, has been operational for three full quarters of the year and is running at close to planned capacity.

Net sales in Building Solutions – North America came to €91.2 (77.5) million, up by 17.8% in euro terms or 23.9% in USD. In addition to continued healthy market demand in both plumbing and indoor climate, the strong growth in the third quarter net sales was particularly related to delivery difficulties experienced in the second quarter, which, once overcome, resulted in a higher amount of orders shipped in the third quarter. The delivery difficulties have mainly been related to Uponor's inability, over the longer term, to increase manufacturing output in step with growth in demand. In the second quarter 2017, a temporary production issue, caused by resin, briefly curbed production and affected the company's ability to deliver pipe orders. As announced earlier, this issue was fully corrected by the end of the second quarter.

Reporting growth of 12.1% for the third quarter, Uponor Infra posted net sales of €90.6 (80.8) million. Growth was particularly robust in Canada and the U.S., where the core markets were recovering after a lengthy slowdown. In Europe, the Swedish market continued to show strength, compensating for continued softness in the other Nordic markets.

Net sales by segment (July – September):

M€	7-9/2017	7-9/2016	Change
Building Solutions – Europe	136.3	127.4	7.1%
Building Solutions – North America	91.2	77.5	17.8%
(Building Solutions – North America (M$)	106.8	86.2	23.9%)
Uponor Infra	90.6	80.8	12.1%
Eliminations	-0.6	-1.6	
Total	317.5	284.1	11.8%

Uponor's January–September net sales reached €891.0 (830.5) million, or growth of 7.3%. This was driven by the brisk growth of net sales in Uponor Infra during all three quarters of the current year, as well as in Building Solutions – North America, which has sustained healthy growth despite temporary challenges affecting net sales in the second quarter. In constant currency terms, net sales would have been €1.3 million higher than reported net sales. The main currencies contributing were the RUB, SEK, and USD.

Net sales by segment (January – September):

M€	1–9/2017	1–6/2016	Change
Building Solutions – Europe	396.2	385.2	2.9%
Building Solutions – North America	248.7	228.4	8.9%
(Building Solutions – North America (M$)	279.0	254.4	9.7%)
Uponor Infra	248.0	220.7	12.4%
Eliminations	-1.9	-3.8	
Total	891.0	830.5	7.3%

Results and profitability

Uponor's consolidated gross profit in the third quarter was €109.3 (96.8) million, a change of €12.5 million from the comparison period, driven by higher net sales. At 34.4% (34.1%), the gross profit margin slightly exceeded the previous year's level. Comparable gross profit grew slightly more than net sales and ended up at €109.3 (97.6) million, with a gross profit margin of 34.4% (34.3%).

Operating profit in the third quarter of 2017 came to €40.4 (25.1) million, up by 60.9% year-on-year. Comparable operating profit, i.e. excluding items affecting comparability, reached €40.4 (29.0) million, an increase of 38.9%. Profitability, as measured by the comparable operating profit margin, came to 12.7% (10.2%). Operating profit improved in all three segments, largely driven by operational leverage as a result of business growth in an environment largely characterised by lively demand. Further reasons supporting improved profits were cost savings achieved through structural and efficiency enhancements implemented as part of the transformation programmes in Europe, which were launched in November 2015. Overheads and costs were carefully managed in all segments. Raw material price increases that occurred during the first half of 2017, in particular, were largely compensated for by sales price increases, especially in Uponor Infra.

Building Solutions – Europe's operating profit in the third quarter came to €14.4 (10.8) million, up by 33.2%. The segment's comparable operating profit amounted to €14.4 (11.7) million. The improvement is a result of net sales growth together with a more efficient production network, offsetting the negative influence of higher raw material prices, particularly in aluminium and brass. Profits were also burdened by a greater emphasis on project support and promotional activities in a highly competitive European market, as well as planned start-up losses in Asia.

Building Solutions – North America reported an operating profit of €19.0 (12.4) million for the quarter, representing a year-over-year increase of 53.0% in euro terms, or 58.5% in USD. Offsetting the adverse impact of higher shipment costs due to back orders, the improvement is mainly a result of increased net sales and efficient management of the still constrained pipe supply to customers.

Uponor Infra's operating profit came to €7.4 (2.7) million, an increase of 178.8%. The segment's comparable operating profit came to €7.4 (5.9) million, representing a change of 23.9%. In addition to an increase in net sales, the improvement was mainly a result of sales price increases implemented to compensate for the raw material price increases in the first half of 2017. The main negative impact was due to persistent production yield challenges related to machine relocations in Finland.

Operating profit by segment (July – September):

M€	7-9/2017	7-9/2016	Change
Building Solutions – Europe	14.4	10.8	33.2%
Building Solutions – North America	19.0	12.4	53.0%
(Building Solutions – North America (M$)	21.9	13.8	58.5%)
Uponor Infra	7.4	2.7	178.8%
Others	0.2	-0.2	
Eliminations	-0.6	-0.6	
Total	40.4	25.1	60.9%

Comparable operating profit by segment (July – September):

M€	7-9/2017	7-9/2016	Change
Building Solutions – Europe	14.4	11.7	22.9%
Building Solutions – North America	19.0	12.4	53.0%
(Building Solutions – North America (M$)	21.9	13.8	58.5%)
Uponor Infra	7.4	5.9	23.9%
Others	0.2	-0.2	
Eliminations	-0.6	-0.6	
Total	40.4	29.0	38.9%

At €-1.1 million, third quarter 2017 net financial expenses were €2.8 million less than in the comparison period mainly due to a €3.6 million reduction in net interest expenses after the decision taken by the Supreme Administrative Court in Finland.

Profit before taxes for July – September totalled €41.0 (23.5) million, which increased taxes which came to €12.4 (8.7) million. The impact of the Supreme Administrative Court ruling on taxes was a gain of €1.6 million, with a total profit impact of €5.2 million. Profit for the third quarter came to €28.6 (14.8) million.

The January – September gross profit came to €299.1 million (33.6%) against €290.1 million (34.9%) in 2016. Comparable gross profit amounted to €300.1 million (33.7%) against €292.5 million (35.2%) in 2016, mainly burdened by competitive price pressure, particularly in the European building solutions business.

The January – September operating profit came to €77.9 (63.5) million, or €79.2 (74.6) million in comparable operating profit, up 22.7% or 6.0% respectively from January – September 2016.

As announced in the January – June 2017 half year financial report, because the final measures related to the European transformation programmes had been initiated during the second quarter of 2017, there were no new items affecting comparability, or IAC, in the third quarter. IAC for the January – September period amounted to €1.3 (11.1) million. The current year's costs are mainly related to ongoing office consolidation in Building Solutions – Europe's Italian operations. In 2016, IAC was related to the transformation programmes in both the Building Solutions – Europe and in Uponor Infra segments. As announced in connection with the January – June 2017 half year financial report, the transformation programmes had a combined target of achieving annual operational savings of €25 million against a total cost of €32 million in items affecting comparability. The savings targets were largely met. The IAC costs during the entire programme amounted to €24.5 million in total. These numbers include the consolidation initiative in Italy.

Profitability, or the operating profit margin, for the January – September period was 8.7%, against 7.6% in the comparison period. The comparable operating profit margin at 8.9% (9.0%) almost reached the prior year's level.

Operating profit by segment (January – September):

M€	1-9/2017	1-9/2016	Change
Building Solutions – Europe	29.8	23.8	25.1%
Building Solutions – North America	40.1	38.1	5.2%
(Building Solutions – North America (M$)	45.0	42.4	6.0%)
Uponor Infra	10.2	4.2	145.4%
Others	-1.7	-1.7	
Eliminations	-0.5	-0.9	
Total	77.9	63.5	22.7%

Comparable operating profit by segment (January – September):

M€	1-9/2017	1-9/2016	Change
Building Solutions – Europe	32.6	30.6	6.3%
Building Solutions – North America	40.1	38.1	5.2%
(Building Solutions – North America (M$)	45.0	42.4	6.0%)
Uponor Infra	8.7	8.5	3.0%
Others	-1.7	-1.7	
Eliminations	-0.5	-0.9	
Total	79.2	74.6	6.0%

At €2.9 million, financial expenses were €4.3 million less than in the comparison period mainly due to a €3.6 million adjustment in interest expenses after the decision by the Supreme Administrative Court in Finland.

At €-1.6 million, the share of the result in associated companies is related to the minority share in the joint venture company Phyn, whose offering is in the development and pilot phase and does not yet generate returns. Phyn was established in July 2016. The activities of the joint venture are progressing according to plan.

Profit before taxes for January – September totalled €73.4 (56.5) million. Taxes had a €23.1 (20.9) million effect on profits. Due to the September decision of the Supreme Administrative Court, the taxes imposed on the company in 2011 will be lowered, resulting in an estimated effective tax rate of 31.5% for the full year. The one-time impact of the court's decision equals a 1.5 percentage point positive change in the tax rate.

Profit for the period came to €50.3 (35.6) million. Earnings per share, both basic and diluted, for January – September totalled €0.64 (0.47). Equity per share, both basic and diluted, was €3.68 (3.41).

Investment and financing

Uponor's gross investments in January - September came to €37.4 (29.7) million. Depreciation and impairments amounted to €29.1 (31.6) million. Investments in the third quarter mainly concerned pipe capacity expansion in the building solution segments, such as in Apple Valley, USA, Virsbo, Sweden and Zella-Mehlis, Germany, as well as other general efficiency improvements in all segments.

Cash flow from business operations came to €65.4 (22.0) million as a result of improved business performance and a clear reduction in net working capital in 2017, partly owing to unusually low inventory levels in Building Solutions – North America.

Maintaining adequate liquidity is, by default, a priority at Uponor. A basic tool for ensuring liquidity is the consistent implementation of a cautious policy with regard to credit risk. This includes actions such as actively following up on accounts receivable.

During the second quarter of 2017, Uponor signed a committed 5-year bilateral loan agreement of €100 million, which will mature in full in July 2022. On 30 September 2017, €10 million of the loan was withdrawn. The new loan replaces the earlier €80 million bond maturing in June 2018, which is now booked as current liabilities, clearly lowering Uponor's long-term interest bearing liabilities.

In addition to the above-mentioned funding arrangements, Uponor has outstanding, bilateral long-term loans of €50 million and €20 million, both maturing in June 2021. As back-up funding arrangements, Uponor has four committed bilateral revolving credit facilities in force, totalling €200 million. These back-up facilities will mature in 2019-2021; none of them were used during the reporting period.

For short-term funding needs, Uponor's main source of funding is its domestic commercial paper programme, totalling €150 million, of which €15 million was in use and outstanding on the balance sheet date.

At 41.2% (39.2%), the Group's solvency ratio has remained at a good level. Net interest-bearing liabilities were €161.8 (177.5) million. The period-end cash balance totalled €21.8 (22.4) million. Gearing came to 48.2% (56.6%), with the four-quarter rolling gearing being at 59.8% (51.8%).

Key events

To meet continued growth in demand for its pipe systems, Building Solutions - North America is expanding its manufacturing facility in Apple Valley, Minnesota with a €16.3 million ($17.4 million) investment, announced in May 2017. This expansion, the 10th of its kind since operations began in Apple Valley in 1990, is expected to be fully functional by January 2018, adding 5,440 square metres (58,000 square feet) in manufacturing operations space related to crosslinked polyethylene (PEX) pipe production.

In order to safeguard future pipe manufacturing capacity and meet expected longer-term growth in North America, on 20 July 2017 Uponor further announced that Building Solutions – North America would purchase a manufacturing facility and real estate in the U.S. town of Hutchinson, Minnesota. The deal, which is worth €5.6 million ($6.3 million), was closed on 3 August 2017. Production of PEX pipe in Hutchinson is expected to start during the second half of 2018, slightly earlier than originally planned, after regulatory approvals have been obtained.

On 17 July, Building Solutions – Europe organised a large promotional installer event in Spain. The event was held in five large Spanish cities simultaneously. A total of 1,600 installers attended the event via a webcast.

On 13 September, the Supreme Administrative Court in Finland resolved the taxation adjustment decisions, based on the appeals submitted in January 2016, concerning Uponor Corporation and its subsidiary Uponor Business Solutions Oy. The matter concerns taxation adjustment decisions made by the Large Taxpayers' Office in 2011. The Supreme Administrative Court's decision lowers Uponor Corporation's uncharged mark-up of service fees, which was added to the company's taxable income, from seven to three per cent for the tax years 2005 – 2007. The taxes, late fees and tax increases imposed on the company have also been decreased. The taxation adjustment decisions concerning the parent company's subsidiary, Uponor Business Solutions Oy, for the 2005 tax year have also been overruled. The Finnish Tax Administration has reassessed the changes in taxation caused by this decision and will adjust the payment for both companies. With regard to the tax years 2006 – 2009, the clarification of arm's length amounts of service fees charged by Uponor Business Solutions Oy will be returned to the Finnish Tax Administration for review.

In September, Uponor Infra announced a licensee agreement, whereby it granted an African company, Plasco Ltd., a licence for the manufacture and marketing of the Weholite® pipe in the United Republic of Tanzania. Uponor's revolutionary Weholite® technology consists of high density polyethylene (HDPE) pipe, fittings and fabricated assemblies, and is used worldwide in low-pressure service applications for potable water, storm water, sewage and various other liquids. In addition to Uponor Infra's own production of Weholite, there are licensees in the UK, Iceland, Oman, South Africa, Malaysia, Thailand, Japan, Chile, Brazil, France, Turkey, and now also in Tanzania.

Human resources and administration

The number of Group full-time-equivalent employees averaged 3,977 (3,873) in January – September 2017, an increase of 104 persons from the same period in 2016. At the end of the period, the Group had 4,079 (3,834) employees, showing an increase of 245 employees. This growth mainly comes from Building Solutions – North America as well as Building Solutions – Europe's European and Asian operations.

On 1 September 2017, Ms Minna Blomqvist (48), M.Sc. (Eng), began work as Executive Vice President, HR and as a member of Executive Committee at Uponor Corporation.

Share capital and shares

Uponor Corporation's share capital amounts to €146,446,888 and the number of shares totals 73,206,944. There were no changes in the share capital and number of shares during the reporting period.

The number of Uponor shares traded on Nasdaq Helsinki during the January – September reporting period was 25.1 (13.9) million shares, totalling €383.8 (197.0) million. The market value of share capital at the end of the period was €1.1 (1.2) billion and the number of shareholders was 20,882 (14,200).

On 13 February 2017, the Board decided on a directed issue of 11,141 own shares to the management as part of a long-term share-based incentive plan.

At the end of the period, the total number of own shares in the company's possession was 59,121.

Events after the reporting period

There were no events to report on.

Short-term outlook

After reporting favourable market trends for the third quarter 2017, Uponor expects demand in the near term to grow in a satisfactory manner. Market trends for the total second half of 2017 should match those of the first half year.

The main factor supporting this view is the fact that demographic demand supported by healthy economic development and the improving labour market in key countries is likely to continue. In addition, housing starts have remained below the long-term historic averages in Uponor’s key markets in Europe and in North America. The main risks in this regard relate to the unlikely event of a sudden derailing of the global economy or an acute political crisis in the northern hemisphere.

Uponor has strengthened its operations in several respects in the last couple of years. The operations of both Building Solutions – Europe and Uponor Infra have been streamlined, resulting in a more efficient and competitive supply chain and manufacturing network. Simultaneously with this initiative, sales and marketing functions have been reorganised to align with strategic targets. In North America, the building solutions segment has addressed determined efforts and investment in enhancing its ability to meet growing customer demand both in the short and the longer term, while building on its brand perception and superior customer experience, both of which are key strategic focus areas for the segment.

Uponor has focused strongly on meeting the digitalisation and sustainability megatrends, and has introduced and will launch new offerings to meet customer and societal demand for smart water management solutions, for example. Uponor remains committed to addressing the key issues of our time through innovations that help to reduce environmental impact. Through partnerships, Uponor strives to provide leadership in sustainable solutions for the mutual well-being of both people and the planet, while ensuring the long-term viability of its operations.

Assuming that economic development in Uponor's key geographies otherwise continues undisturbed, Uponor repeats its earlier, full-year guidance for 2017:
The Group’s net sales and comparable operating profit are expected to improve from 2016.

Uponor repeats its estimate, announced in connection with the January – June 2017 half year financial report, that the Group's capital expenditure, excluding any investment in shares, is expected to exceed €60 million in 2017, including the acquisition of the U.S. manufacturing facility and real estate in August 2017.

Uponor’s financial performance may be affected by a range of strategic, operational, financial, legal, political and hazard risks. A more detailed risk analysis is provided in the section ‘Key risks associated with business’ in the Annual Report 2016.

Uponor Corporation
Board of Directors

For further information, please contact:
Jyri Luomakoski, President and CEO, tel. +358 20 129 2824
Maija Strandberg, CFO, tel. +358 20 129 2830

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

DISTRIBUTION:
Nasdaq Helsinki
Media
www.uponor.com

Uponor is a leading international systems and solutions provider for safe drinking water delivery, energy-efficient radiant heating and cooling and reliable infrastructure. The company serves a variety of building markets including residential, commercial, industrial and civil engineering. Uponor employs about 3,900 employees in 30 countries, mainly in Europe and North America. In 2016, Uponor's net sales totalled €1.1 billion. Uponor is based in Finland and listed on Nasdaq Helsinki. www.uponor.com

Table part

This interim report has been compiled in accordance with the IAS 34 reporting standard and it is unaudited. The figures in brackets are the reference figures for the equivalent period in 2016. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.
Uponor provides comparable operating profit and comparable gross profit in order to provide useful and comparable information of its operative business performance. Comparable operating or gross profit excludes items affecting comparability (IAC). Items affecting comparability are exceptional transactions that are unrelated to normal business operations. Such items often include issues such as capital gains and losses, additional costs arising from site closures and other restructuring, additional write-downs, or reversals of write-downs, expenses due to accidents and disasters, environmental matters, legal proceedings and changes in regulation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-9/2017	1-9/2016	7-9/2017	7-9/2016	1-12/2016
Continuing operations					
Net sales	891.0	830.5	317.5	284.1	1,099.4
Cost of goods sold	591.9	540.4	208.2	187.3	723.4
Gross profit	299.1	290.1	109.3	96.8	376.0
Other operating income	2.8	2.4	0.2	0.4	4.2
Dispatching and warehousing expenses	25.1	26.3	8.0	8.4	34.6
Sales and marketing expenses	142.4	143.1	44.0	43.9	190.1
Administration expenses	38.8	41.5	11.7	12.1	58.9
Other operating expenses	17.7	18.1	5.5	7.7	25.6
Operating profit	77.9	63.5	40.4	25.1	71.0
Financial expenses, net	2.9	7.2	-1.1	1.7	10.0
Share of results in associated companies	-1.6	0.2	-0.5	0.1	-0.6
Profit before taxes	73.4	56.5	41.0	23.5	60.4
Income taxes	23.1	20.9	12.4	8.7	18.9
Profit for period from continuing operations	50.3	35.6	28.6	14.8	41.5
Discontinued operations					
Profit for the period from discontinued operations	-	0.4	-	0.0	0.4
Profit for the period	50.3	36.0	28.6	14.8	41.9
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Re-measurements on defined benefit pensions, net of taxes	-	-	-	-	1.4
Items that may be reclassified subsequently to profit or loss					
Translation differences	-10.6	-4.2	-3.1	-1.3	2.1
Cash flow hedges, net of taxes	0.9	0.9	0.6	0.6	1.4
Net investment hedges	1.5	1.2	0.4	0.5	0.2
Other comprehensive income for the period, net of taxes	-8.2	-2.1	-2.1	-0.2	5.1
Total comprehensive income for the period	42.1	33.9	26.5	14.6	47.0
Profit/loss for the period attributable to					
- Equity holders of parent company	47.1	34.5	26.1	13.8	42.2
- Non-controlling interest	3.2	1.5	2.5	1.0	-0.3
Comprehensive income for the period attributable to					
- Equity holders of parent company	38.9	32.9	24.0	13.7	47.1
- Non-controlling interest	3.2	1.0	2.5	0.9	-0.1
Earnings per share, €	0.64	0.47	0.35	0.19	0.58
- Continuing operations	0.64	0.47	0.35	0.19	0.57
- Discontinued operations	-	0.00	-	-0.01	0.01
Diluted earnings per share, €	0.64	0.47	0.35	0.19	0.58
- Continuing operations	0.64	0.47	0.35	0.19	0.57
- Discontinued operations	-	0.00	-	-0.01	0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	30.9.2017	30.9.2016	31.12.2016
Assets			
Non-current assets			
Property, plant and equipment	239.3	223.6	240.9
Intangible assets	116.0	120.0	119.0
Investments in associates and joint ventures	10.5	13.8	13.3
Other securities and non-current receivables	10.8	21.2	21.4
Deferred tax assets	11.4	20.3	11.6
Total non-current assets	388.0	398.9	406.2
Current assets			
Inventories	133.4	140.5	139.3
Accounts receivable	234.0	213.5	165.8
Other receivables	43.0	28.4	39.9
Cash and cash equivalents	21.8	22.4	16.3
Total current assets	432.2	404.8	361.3
Total assets	820.2	803.7	767.5
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company	268.9	249.0	263.3
Non-controlling interest	66.7	64.7	63.6
Total equity	335.6	313.7	326.9
Non-current liabilities			
Interest-bearing liabilities	87.4	159.0	158.2
Deferred tax liability	10.7	24.5	11.8
Provisions	8.7	10.5	8.9
Employee benefits and other liabilities	24.7	27.5	25.2
Total non-current liabilities	131.5	221.5	204.1
Current liabilities			
Interest-bearing liabilities	96.2	40.9	17.6
Provisions	19.2	14.9	19.9
Accounts payable	87.1	75.3	76.2
Other liabilities	150.6	137.4	122.8
Total current liabilities	353.1	268.5	236.5
Total equity and liabilities	820.2	803.7	767.5

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-9/2017	1-9/2016	1-12/2016
Cash flow from operations			
Net cash from operations	113.2	92.5	105.3
Change in net working capital	-30.3	-45.9	-16.6
Income taxes paid	-14.8	-21.9	-24.9
Interest paid	-2.8	-2.8	-4.1
Interest received	0.1	0.1	0.2
Cash flow from operations	65.4	22.0	59.9
Cash flow from investments			
Acquisition of subsidiaries and businesses	-	-31.3	-31.4
Acquisition of joint venture	-	-13.5	-13.5
Purchase of fixed assets	-37.4	-29.7	-50.7
Proceeds from sale of fixed assets	3.6	2.7	3.4
Dividends received	0.0	-	0.4
Cash flow from investments	-33.8	-71.8	-91.8
Cash flow from financing			
Borrowings of debt	69.0	95.2	97.3
Repayment of debt	-59.5	-51.7	-58.8
Change in other short-term loan	-0.9	13.5	-5.4
Dividends paid	-33.6	-32.2	-32.2
Payment of finance lease liabilities	-0.8	-0.8	-1.1
Cash flow from financing	-25.8	24.0	-0.2
Conversion differences for cash and cash equivalents	-0.3	0.0	0.2
Change in cash and cash equivalents	5.5	-25.8	-31.9
Cash and cash equivalents at 1 January	16.3	48.2	48.2
Cash and cash equivalents at end of period	21.8	22.4	16.3
Changes according to balance sheet	5.5	-25.8	-31.9

STATEMENT OF CHANGES IN EQUITY

M€	A	B	C	D*	E	F	G	H	I
Balance at 1 Jan 2017	146.4	50.2	0.4	0.9	-0.5	65.9	263.3	63.6	326.9
Total comprehensive income for the period			0.9	-9.1		47.1	38.9	3.2	42.1
Dividend paid (€0.46 per share)						-33.6	-33.6		-33.6
Share-based incentive plan					0.1	0.2	0.3		0.3
Balance at 30 September 2017	146.4	50.2	1.3	-8.2	-0.4	79.6	268.9	66.7	335.6
Balance at 1 Jan 2016	146.4	50.2	-1.0	-1.8	-0.7	54.9	248.0	63.7	311.7
Total comprehensive income for the period			0.9	-2.5		34.5	32.9	1.0	33.9
Dividend paid (€0.44 per share)						-32.2	-32.2		-32.2
Share-based incentive plan					0.2	0.1	0.3		0.3
Other adjustments						0.0	0.0		0.0
Balance at 30 September 2016	146.4	50.2	-0.1	-4.3	-0.5	57.3	249.0	64.7	313.7

*) Includes a €-13.7 (-14.3) million effective part of net investment hedging at the end of period.

A – Share capital
B – Share premium
C – Other reserves
D* – Translation reserve
E – Treasury shares
F – Retained earnings
G – Equity attributable to owners of the parent company
H – Non-controlling interest
I – Total equity

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and IAS 34 Interim Financial Reporting. In its interim reports, Uponor Group follows the same principles as in the annual financial statements for 2016.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	30.9.2017	30.9.2016	31.12.2016
Gross investment	37.4	29.7	50.7
- % of net sales	4.2	3.6	4.6
Depreciation and impairments	29.1	31.6	41.6
Book value of disposed fixed assets	1.5	1.7	2.3

PERSONNEL

Converted to full time employees	1-9/2017	1-9/2016	1-12/2016
Average	3,977	3,873	3,869
At the end of the period	4,079	3,834	3,868

OWN SHARES

OWN SHARES	30.9.2017	30.9.2016	31.12.2016
Own shares held by the company, pcs	59,121	68,959	68,959
- of share capital, %	0.1	0.1	0.1
- of voting rights, %	0.1	0.1	0.1
Accounted par value of own shares held by the company, M€	0.1	0.1	0.1

SEGMENT INFORMATION

		1-9/2017			1-9/2016	
M€	External	Internal	Total	External	Internal	Total
Net sales by segment, continuing operations						
Building Solutions - Europe	395.4	0.8	396.2	384.6	0.6	385.2
Building Solutions - North America	248.7	0.0	248.7	228.4	0.0	228.4
Uponor Infra	246.9	1.1	248.0	217.5	3.2	220.7
Eliminations	0.0	-1.9	-1.9	0.0	-3.8	-3.8
Total	891.0	-	891.0	830.5	-	830.5

		7-9/2017			7-9/2016	
M€	External	Internal	Total	External	Internal	Total
Net sales by segment, continuing operations						
Building Solutions - Europe	136.1	0.2	136.3	127.0	0.4	127.4
Building Solutions - North America	91.2	0.0	91.2	77.5	0.0	77.5
Uponor Infra	90.2	0.4	90.6	79.6	1.2	80.8
Eliminations	0.0	-0.6	-0.6	0.0	-1.6	-1.6
Total	317.5	-	317.5	284.1	-	284.1

		1-12/2016	
M€	External	Internal	Total
Net sales by segment, continuing operations			
Building Solutions - Europe	510.2	0.8	511.0
Building Solutions - North America	305.6	0.0	305.6
Uponor Infra	283.6	4.3	287.9
Eliminations	-	-5.1	-5.1
Total	1,099.4	-	1,099.4

M€	1-9/2017	1-9/2016	7-9/2017	7-9/2016	1-12/2016
Operating result by segment, continuing operations					
Building Solutions - Europe	29.8	23.8	14.4	10.7	25.4
Building Solutions - North America	40.1	38.1	19.0	12.4	50.0
Uponor Infra	10.2	4.2	7.4	2.7	-0.8
Others	-1.7	-1.7	0.2	-0.1	-2.0
Eliminations	-0.5	-0.9	-0.6	-0.6	-1.6
Total	77.9	63.5	40.4	25.1	71.0

M€	1-9/2017	1-9/2016	1-12/2016
Segment depreciation and impairments, continuing operations			
Building Solutions - Europe	10.8	10.2	14.2
Building Solutions - North America	8.9	7.8	10.7
Uponor Infra	8.0	10.6	13.1
Others	1.4	3.0	3.6
Eliminations	0.0	0.0	0.0
Total	29.1	31.6	41.6
Segment investments, continuing operations			
Building Solutions - Europe	7.7	8.8	14.4
Building Solutions - North America	23.5	11.2	20.8
Uponor Infra	5.8	8.9	14.3
Others	0.4	0.8	1.2
Total	37.4	29.7	50.7

M€	30.9.2017	30.9.2016	31.12.2016
Segment assets			
Building Solutions - Europe	406.2	409.0	397.2
Building Solutions - North America	238.7	218.9	222.5
Uponor Infra	222.4	211.3	196.8
Others	294.6	285.9	301.4
Eliminations	-341.7	-321.4	-350.4
Total	820.2	803.7	767.5
Segment liabilities			
Building Solutions - Europe	322.6	343.4	325.5
Building Solutions - North America	157.8	145.4	156.0
Uponor Infra	84.3	77.1	65.1
Others	280.9	268.6	269.5
Eliminations	-361.1	-344.5	-375.5
Total	484.5	490.0	440.6

The presentation of segment assets and liabilities has changed as of the beginning of 2017 due to a transfer of non-operative companies from the segment Others to the segments Building Solutions - Europe and Building Solutions - North America, causing a change in elimination of internal receivables and liabilities. The comparable data have been adjusted accordingly.

	1-9/2017	1-9/2016	1-12/2016
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,065	2,042	2,037
Building Solutions - North America	794	672	682
Uponor Infra	1,042	1,091	1,081
Others	76	68	69
Total	3,977	3,873	3,869

Reconciliation

M€	1-9/2017	1-9/2016	1-12/2016
Operating result by segment, continuing operations			
Total result for reportable segments	80.1	66.1	74.6
Others	-1.7	-1.7	-2.0
Eliminations	-0.5	-0.9	-1.6
Operating profit	77.9	63.5	71.0
Financial expenses, net	2.9	7.2	10.0
Share of results in associated companies	-1.6	0.2	-0.6
Profit before taxes	73.4	56.5	60.4

CONTINGENT LIABILITIES AND ASSETS

M€	30.9.2017	30.9.2016	31.12.2016
Commitments of purchase PPE (Property, plant, equipment)	17.6	11.3	9.7
Other commitments	0.6	1.0	0.6
- on own behalf			
Pledges at book value	0.1	0.1	0.1
Mortgages issued	2.1	3.8	2.5
Guarantees issued	5.4	4.6	5.0
- on behalf of a subsidiary			
Guarantees issued	30.8	38.5	34.1
Letter of Comfort commitments undertaken on behalf of subsidiaries are not included in the above figures			
Pledges at book value	0.1	0.1	0.1
Mortgages issued	2.1	3.8	2.5
Guarantees issued	36.2	43.1	39.1
Total	38.4	47.0	41.7

Uponor Corporation's subsidiary in Spain, Uponor Hispania, S.A.U, had tax audits covering financial years 2006-2007 and 2011-2012. As a result of the audits, the tax authority rejected the tax deductibility of costs related to certain Group services and to advertising and promotion. As a result of this, Uponor Hispania has paid €0.7 million in taxes and in interest on delayed payments and booked a provision of €0.4 million to cover further delayed interest payments. The company has started a process to avoid double taxation.

On 13 September 2017, the Supreme Administrative Court in Finland resolved the taxation adjustment decisions concerning Uponor Corporation and its subsidiary Uponor Business Solutions Oy. The decision lowers Uponor Corporation's uncharged mark-up of service fees that was added on the company's taxable income, from seven to three per cent for the tax years 2005 – 2007. The taxes, late fees and tax increases imposed on the company have also been decreased. The Finnish Tax Administration has reassessed the changes in taxation caused by this decision and will adjust the payment. The taxation adjustment decisions concerning the parent company's subsidiary, Uponor Business Solutions Oy, for the tax year 2005 have been overruled. The Finnish Tax Administration has reassessed the changes in taxation caused by this decision and will adjust the payment. Based on the reassessments, Uponor has booked the paid surtaxes and delay interests as income at €1.6 million. With regard to the tax years 2006 – 2009, the clarification of arm's length amounts of service fees charged by the company will be returned to the Finnish Tax Administration for review. Uponor has also booked the paid surtaxes and delay interests for the tax years 2006 – 2009, which have not been reassessed, as income at €3.4 million. The paid taxes at €9.6 million have been transferred from the non-current receivables to the current receivables.

M€	30.9.2017	30.9.2016	31.12.2016
OPERATING LEASE COMMITMENTS	44.2	46.0	47.7

DERIVATIVE CONTRACTS AND FAIR VALUE HIERARCHIES

M€	Nominal value 30.9.2017	Fair value 30.9.2017	Nominal value 30.9.2016	Fair value 30.9.2016	Nominal value 31.12.2016	Fair value 31.12.2016
Currency derivatives						
- Forward agreements	180.0	0.0	184.2	-0.4	187.7	-0.6
Interest derivatives						
- Interest rate swaps	50.0	-1.0	55.0	-2.0	50.0	-1.5
- Interest rate options	45.0	0.0	20.0	0.0	20.0	0.1
Commodity derivatives						
- Forward agreements	4.6	0.2	4.1	-0.7	5.8	-0.2

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

30.9.2017 M€	Derivative contracts, under hedge accounting	Financial assets/liabilities at fair value through profit and loss	Loans and receivables	Available for sales financial assets	Financial liabilities measured at amortised cost	Carrying amount by balance sheet item	IFRS 7 Fair value hierarchy level
Non-current financial assets							
Other shares and holdings				0.2		0.2	
Electricity derivatives	0.4					0.4	1
Non-current receivables			10.2			10.2	
Current financial assets							
Accounts receivable and other receivables			255.3			255.3	
Electricity derivatives	0.0					0.0	1
Other derivative contracts	0.0	0.9				0.9	2
Cash and cash equivalents			21.8			21.8	
Carrying amount	0.4	0.9	287.3	0.2		288.8	
Non-current financial liabilities							
Interest bearing liabilities					87.4	87.4	
Electricity derivatives	0.1					0.1	1
Current financial liabilities							
Interest bearing liabilities					96.2	96.2	
Electricity derivatives	0.1					0.1	1
Other derivative contracts	1.2	0.7				1.9	2
Accounts payable and other liabilities					145.7	145.7	
Carrying amount	1.4	0.7			329.3	331.4	

30.9.2016 M€	Derivative contracts, under hedge accounting	Financial assets/liabilities at fair value through profit and loss	Loans and receivables	Available for sales financial assets	Financial liabilities measured at amortised cost	Carrying amount by balance sheet item	IFRS 7 Fair value hierarchy level
Non-current financial assets							
Other shares and holdings				0.3		0.3	
Non-current receivables			21.0			21.0	
Current financial assets							
Accounts receivable and other receivables			234.8			234.8	1
Other derivative contracts	0.1	0.9				1.0	2
Cash and cash equivalents			22.4			22.4	
Carrying amount	0.1	0.9	278.2	0.3		279.5	
Non-current financial liabilities							
Interest bearing liabilities					159.0	159.0	
Electricity derivatives	0.3					0.3	1
Current financial liabilities							
Interest bearing liabilities					40.9	40.9	
Electricity derivatives	0.4					0.4	1
Other derivative contracts	2.1	1.3				3.4	2
Accounts payable and other liabilities					131.1	131.1	
Carrying amount	2.8	1.3			331.0	335.1	

31.12.2016 M€	Derivative contracts, under hedge accounting	Financial assets/liabilities at fair value through profit and loss	Loans and receivables	Available for sales financial assets	Financial liabilities measured at amortised cost	Carrying amount by balance sheet item	IFRS 7 Fair value hierarchy level
Non-current financial assets							
Other shares and holdings				0.3		0.3	
Electricity derivatives	0.1					0.1	1
Other derivative contracts		0.1				0.1	2
Non-current receivables			20.9			20.9	
Current financial assets							
Accounts receivable and other receivables			193.5			193.5	
Electricity derivatives	0.1					0.1	1
Other derivative contracts		1.6				1.6	2
Cash and cash equivalents			16.3			16.3	
Carrying amount	0.2	1.7	230.7	0.3		232.9	
Non-current financial liabilities							
Interest bearing liabilities					158.2	158.2	
Electricity derivatives	0.2					0.2	1
Current financial liabilities							
Interest bearing liabilities					17.6	17.6	
Electricity derivatives	0.3					0.3	1
Other derivative contracts	1.6	2.1				3.7	2
Accounts payable and other liabilities					102.6	102.6	
Carrying amount	2.1	2.1			278.4	282.6	

The carrying value of financial assets and liabilities is considered to correspond to their fair value. The Group's financial instruments are classified according to IFRS 7 fair value hierarchies. Uponor applies the hierarchy as follows:

- The fair value of electricity derivatives is measured based on stock exchange prices. (Hierarchy 1)
- The fair value of currency forward agreements is measured based on price information from common markets and commonly used valuation methods. (Hierarchy 2)

RELATED-PARTY TRANSACTIONS

M€	1-9/2017	1-9/2016	1-12/2016
Continuing operations			
Purchases from associated companies	1.6	1.5	1.9
Balances at the end of the period			
Loans receivable from associated companies	-	0.3	-
Accounts receivable and other receivables	0.0	0.0	-
Accounts payables and other liabilities	0.3	0.1	0.1

KEY FIGURES

	1-9/2017	1-9/2016	1-12/2016
Earnings per share, €	0.64	0.47	0.58
- continuing operations	0.64	0.47	0.57
- discontinued operations	-	0.00	0.01
Operating profit (continuing operations), %	8.7	7.6	6.5
Return on equity, % (p.a.)	20.2	15.3	13.1
Return on investment, % (p.a.)	19.4	16.9	14.1
Solvency ratio, %	41.2	39.2	42.8
Gearing, %	48.2	56.6	48.8
Gearing, % rolling 4 quarters	59.8	51.8	56.7
Net interest-bearing liabilities	161.8	177.5	159.5
Equity per share, €	3.68	3.41	3.60
- diluted	3.68	3.41	3.60
Trading price of shares			
- low, €	13.30	11.13	11.13
- high, €	17.49	17.19	17.35
- average, €	15.27	14.13	14.64
Shares traded			
- 1,000 pcs	25,136	13,908	20,339
- M€	384	197	298

QUARTERLY DATA

	7-9/ 2017	4-6/ 2017	1-3/ 2017	10-12/ 2016	7-9/ 2016	4-6/ 2016	1-3/ 2016
Continuing operations							
Net sales, M€	317.5	308.4	265.1	268.9	284.1	299.5	246.9
- Building Solutions – Europe	136.3	135.6	124.3	125.8	127.3	134.8	123.0
- Building Solutions – North America	91.2	79.3	78.2	77.2	77.5	80.2	70.7
Building Solutions – North America, $	106.8	88.7	83.5	82.7	86.3	90.0	78.2
- Uponor Infra	90.6	94.3	63.1	67.2	80.9	85.8	54.1
Gross profit, M€	109.3	98.4	91.4	85.9	96.8	105.5	87.8
- Gross profit, %	34.4	31.9	34.5	32.0	34.1	35.2	35.5
Operating profit, M€	40.4	22.9	14.6	7.5	25.1	26.5	11.9
- Building Solutions – Europe	14.4	9.1	6.3	1.6	10.7	8.2	4.9
- Building Solutions – North America	19.0	10.5	10.6	11.9	12.4	14.6	11.1
Building Solutions – North America, $	21.9	11.7	11.4	12.7	13.8	16.3	12.3
- Uponor Infra	7.4	4.7	-1.9	-5.0	2.7	5.1	-3.6
- Others	0.2	-1.0	-0.9	-0.7	-0.1	-0.9	-0.7
Operating profit, % of net sales	12.7	7.4	5.5	2.8	8.8	8.8	4.8
- Building Solutions – Europe	10.5	6.8	5.0	1.2	8.5	6.0	4.0
- Building Solutions – North America	20.8	13.2	13.6	15.4	16.0	18.2	15.7
- Uponor Infra	8.1	5.0	-3.0	-7.4	3.3	6.0	-6.7
Profit for the period, M€	28.6	14.3	7.4	5.9	14.8	15.4	5.9
Balance sheet total, M€	820.2	825.9	812.9	767.5	803.7	792.5	748.7
Earnings per share, €	0.35	0.18	0.11	0.11	0.19	0.19	0.09
Equity per share, €	3.68	3.35	3.25	3.60	3.41	3.22	3.01
Market value of share capital, M€	1,073.2	1,164.7	1,216,0	1,208.6	1,206.5	1,038.1	934.1
Return on investment, % (p.a.)	19.4	13.6	9.9	14.1	16.9	15.3	8.9
Net interest-bearing liabilities							
at the end of the period, M€	161.8	208.9	224.0	159.5	177.5	175.1	176.5
Gearing, %	48.2	67.6	74.5	48.8	56.6	58.5	62.4
Gearing, % rolling 4 quarters	59.8	61.9	59.6	56.7	51.8	47.1	44.3
Gross investment, M€	18.1	11.5	7.8	21.0	14.0	10.4	5.3
- % of net sales	5.7	3.7	2.9	7.8	4.9	3.5	2.1

ITEMS AFFECTING COMPARABILITY AND RECONCILIATIONS TO IFRS

	7-9/ 2017	4-6/ 2017	1-3/ 2017	10-12/ 2016	7-9/ 2016	4-6/ 2016	1-3/ 2016
Items affecting comparability							
Restructuring charges		-2.8	-0.6	-8.6	-3.9	-4.2	-3.0
Capital gains and losses on sale of non-current assets	-	1.9	0.2		-	-	-
Total items affecting comparability in operating profit	-	-0.9	-0.4	-8.6	-3.9	-4.2	-3.0
Items affecting comparability, total	**-**	**-0.9**	**-0.4**	**-8.6**	**-3.9**	**-4.2**	**-3.0**
Comparable gross profit							
Gross profit	109.3	98.4	91.4	85.9	96.8	105.5	87.8
Less: Items affecting comparability in gross profit	-	-0.8	-0.2	-5.6	-0.8	-0.8	-0.7
Comparable gross profit	**109.3**	**99.2**	**91.6**	**91.5**	**97.6**	**106.3**	**88.5**
% of sales	34.4	32.1	34.6	34.1	34.4	35.5	35.8
Comparable operating profit							
Operating profit	40.4	22.9	14.6	7.5	25.1	26.5	11.9
Less: Items affecting comparability in operating profit	-	-0.9	-0.4	-8.6	-3.9	-4.2	-3.0
Comparable operating profit	**40.4**	**23.8**	**15.0**	**16.1**	**29.0**	**30.7**	**14.9**
% of sales	12.7	7.7	5.7	6.0	10.2	10.2	6.0
Comparable operating profit by segment							
Building Solutions - Europe							
Operating profit	14.4	9.1	6.3	1.6	10.7	8.2	4.9
Less: Items affecting comparability in operating profit	-	-2.4	-0.4	-5.6	-0.9	-3.3	-2.6
Comparable operating profit	14.4	11.5	6.7	7.2	11.6	11.5	7.5
% of sales	10.5	8.5	5.4	5.7	9.2	8.5	6.1
Building Solutions - North America							
Operating profit	19.0	10.5	10.6	11.9	12.4	14.6	11.1
Comparable operating profit	19.0	10.5	10.6	11.9	12.4	14.6	11.1
% of sales	20.8	13.2	13.6	15.4	16.0	18.2	15.7
Uponor Infra							
Operating profit	7.4	4.7	-1.9	-5.0	2.7	5.1	-3.6
Less: Items affecting comparability in operating profit	-	1.5	0.0	-3.0	-3.2	-0.6	-0.4
Comparable operating profit	7.4	3.2	-1.9	-2.0	5.9	5.7	-3.2
% of sales	8.1	3.5	-3.1	-2.9	7.2	6.7	-6.0
Others							
Operating profit	0.2	-1.0	-0.9	-0.3	-0.1	-0.9	-0.7
Less: Items affecting comparability in operating profit	-	-	-	0.0	0.2	-0.3	-
Comparable operating profit	0.2	-1.0	-0.9	-0.3	-0.3	-0.6	-0.7
% of sales	na	na	na	na	na	na	na

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

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

Return on Investment (ROI), %

$$= \frac{\text{Profit before taxes + interest and other financing costs}}{\text{Balance sheet total – non-interest-bearing liabilities, average}} \times 100$$

Solvency, %

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

Gearing, %

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

Net interest-bearing liabilities

= Interest-bearing liabilities – cash and cash equivalents excluding restricted cash

Earnings per share (EPS)

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

Equity per share ratio

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

Average share price

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

Gross profit margin

$$= \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

Operating profit margin

$$= \frac{\text{Operating profit}}{\text{Net sales}} \times 100$$

Comparable gross profit margin

$$= \frac{\text{Gross profit – items affecting comparability}}{\text{Net sales}} \times 100$$

Comparable operating profit margin

$$= \frac{\text{Operating profit – items affecting comparability}}{\text{Net sales}} \times 100$$