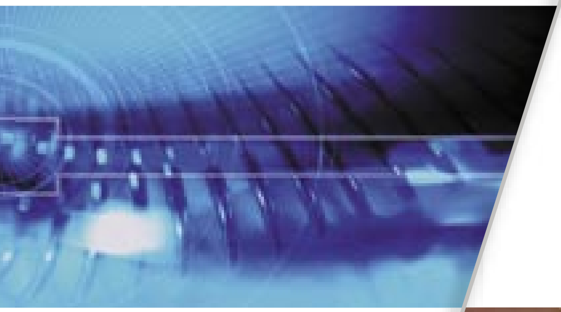
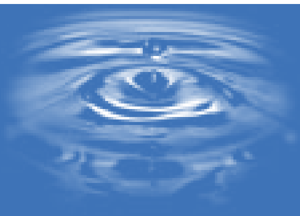


Annual report 2004

Bringing *comfort* to life



uponor

Information for shareholders

The Annual General Meeting

Uponor Corporation's Annual General Meeting is to be held on Tuesday, 15 March 2005 at 5.00 p.m. at the Marina Congress Center, Katajanokanlaituri 6, 00160 Helsinki, Finland.

Important dates in the year 2005

- Financial accounts bulletin for 2004, 2 February
- Financial statements for 2004, 2 February
- Annual General Meeting 15 March at 5 pm
- Record date for dividend payment 18 March*
- Date for dividend payment 30 March *
- Interim report: January–March on Wednesday, 27 April at 11 am
- Interim report: January–June on Thursday, 4 August at 11 am
- Interim report: January–September on Thursday, 27 October at 11 am

**Proposal of the Board of Directors*

Publications

The annual report will be published in Finnish and English and will also be available on the company website at www.uponor.com. The interim reports and corporate releases will be published in Finnish and English on the company website.

To order publications, please contact:

Uponor Corporation, Group Communications
P.O.Box 37, Robert Huberin tie 3 B, FI-01511 Vantaa, Finland
Tel. +358 (0)20 129 2854, fax +358 (0)20 129 2841
communications@uponor.com
www.uponor.com

Insider register

The public register of Uponor Corporation's insiders may be viewed at the Legal Department at the address above, Tel. +358 (0)20 129 2837. E-mail address to the Legal Department is legal@uponor.com. The share and stock option holdings of company's permanent insiders are also available on the website at www.uponor.com.

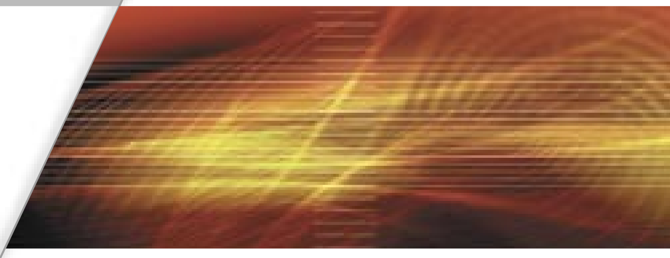
Contents

Region overviews

In March 2004, Uponor adopted a regional organisation, which consists of four geographical regions.

Financial statements 2004

An electronic version of Uponor's annual report is available at www.uponor.com.



Information for investors

Strategic milestones in 2004

- **Healthy organic growth in all key geographic regions and core product groups**
- **Profitability improvements, supported by stronger sales and efficiency gains**
- **Completion of an extensive restructuring programme and the divestment of the real estate portfolio**
- **Integration of the Group under way, including the launch of an ERP programme**

	2004	2003	2002	2001	2000
Net sales, MEUR	1,072.8	1,021.0	1,137.2	1,192.4	1,355.6
Operating profit, MEUR	97.9	30.7	114.2	91.2	112.7
Profit after financial items, MEUR	92.3	20.8	100.7	75.0	96.8
Earnings per share (fully diluted), EUR	0.82	0.02	0.86	0.58	0.87
Dividend per share, EUR	*) 0.70	1.44	0.75	0.40	0.40
Equity per share, EUR	5.68	6.35	7.29	7.03	7.02
Market capitalisation, end of period, MEUR	1,029.5	935.4	720.9	716.6	725.9
P/E ratio	16.8	625.0	11.3	16.3	10.8
Solvency, %	62.4	59.8	58.9	49.8	48.3
Gearing, %	5	18	30	53	57
Number of shareholders	5,225	3,998	3,209	3,019	3,168

* Proposal of the Board of Directors

Uponor's long-term financial goals

In 2003, Uponor Corporation's Board of Directors confirmed the following long-term financial goals:

- ***Annual organic growth in net sales of a minimum of 5 per cent***

Uponor aims at organic growth by upgrading and expanding its product offerings and investing in growing market segments, such as renovation and modernisation. In addition, Uponor's new regional organisation enables more efficient use of its strong market position. The market segments for Uponor products are expected to grow faster than the overall construction market.

- ***Operating profit (EBITA) accounts for a minimum of 12 per cent of net sales***

- ***Return on investment (ROI) in the core business stands at a minimum of 20 per cent***

The large-scale restructuring programme aimed at forming a unified Group has proceeded as planned. Uponor continues to harmonise and unify its policies, practices and processes, providing foundations for improvements in profitability and return on investment.

Uponor already operates businesses that meet these criteria, while Group profitability is also well on its way towards meeting these goals.

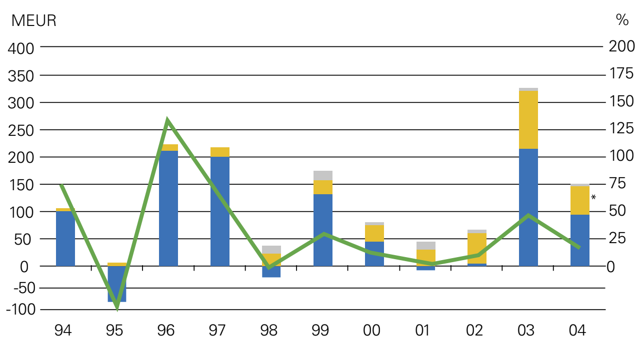
- ***Solvency ratio exceeds 50 percent (gearing below 70)***

- ***Dividend distribution policy: Uponor distributes a minimum of 50 per cent of the financial year's profit in dividends***

Uponor aims to maintain its solvency at a healthy level, providing scope for business flexibility and agility. In this respect, dedicated efforts to divest non-core assets and businesses have served this purpose.

The company also aims to be an attractive investment, while increasing shareholder wealth based on a combination of a stable and competitive dividend policy and share buybacks.

Shareholder value development



Market capitalisation change · Dividend for the year

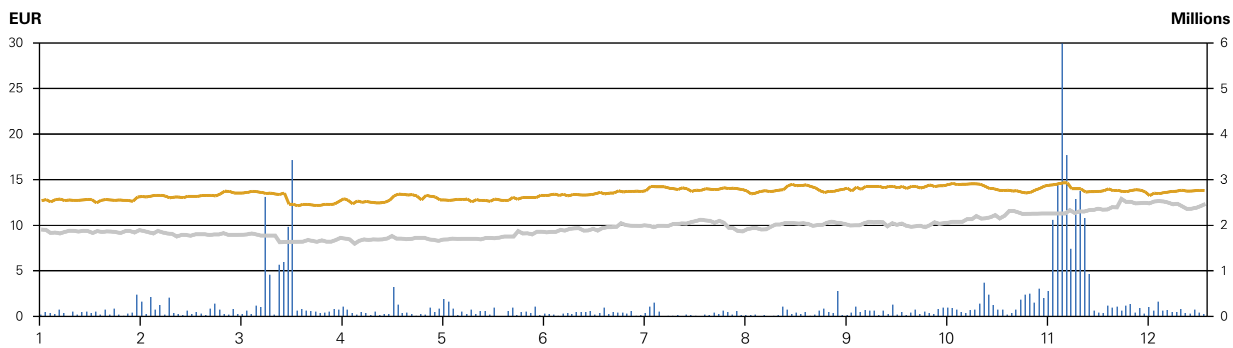
Share buyback volume · Total shareholder return, %

* Proposal of the Board of Directors

Significant news in 2004

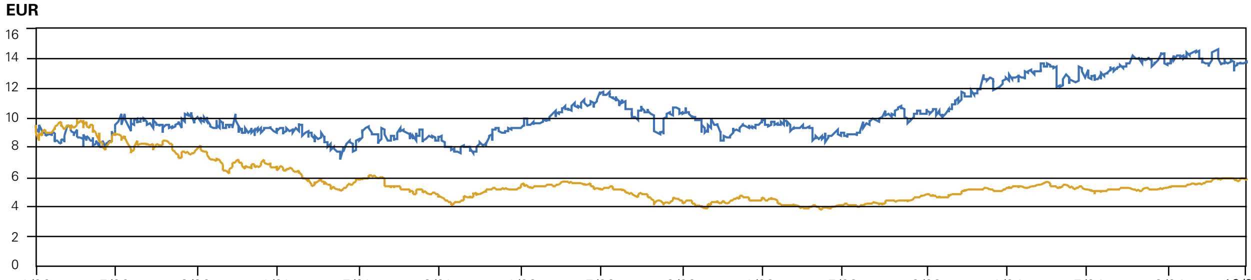
Restructuring: Centralisation of composite pipe production in Zella-Mehlis, Germany	2 Feb
Letter of Intent regarding MBO in Germany	3 Feb
New regional organisation	3 Feb
Share-based incentive plan for Executive Committee	6 May
Divestment of gas pipe business in the US	2 Sep
Streamlining in North America	28 Oct
Uponor exits municipal business in Iberia	19 Nov
Exit from the domestic real estate business	30 Nov
Share repurchases	16 – 28 Dec

Share price development and trading on the Helsinki Stock Exchange in 2004

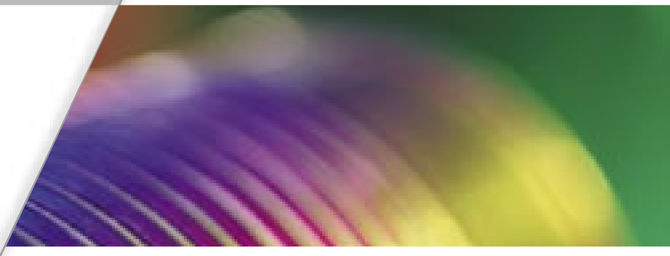


Trading volume · Trading price 2004 · Trading price 2003

Uponor vs. HEX Portfolio Index 2000 – 2004



Uponor · HEX-portfolio Index



Vision and strategy

Our vision

Uponor seeks to be a leading corporate brand generating profitable growth by providing solutions for housing and the environmental infrastructure.

- **Uponor will achieve its vision by forging superior relationships with its customers and other partners and through continuous innovation programmes.**
- **Uponor's geographical focus areas are Europe and North America.**

Our strategy

The purpose of the strategy is to enable Uponor to achieve its vision approved by the Board of Directors. During 2004, the core strategy remained unchanged, although its focus shifted to fit the current situation.

Uponor's strategic focus areas are as follows:

- Organic growth based on improved efficiency
- Strengthening the Uponor brand
- Operational excellence

We generate growth by maintaining strong customer relationships and continuously enhancing our product offering. Our geographical focus is Europe and North America, where we will target further market and market-share expansion efforts.

Uponor's core competence areas are radiant underfloor heating and tap water systems within housing solutions, and the gravity business in particular within infrastructure and environment. We aim to extend our offerings through cross-regional applications closely linked to this solution platform.

Internally, our aim is to create a more integrated company by transferring competencies within the Group and building an integrated supply chain structure, a core part of which is our ERP project, already underway.

We will continue to strengthen the Uponor corporate brand in the market, based on long-term brand-identity development and consistent communications that support our image.

Core purpose and values

Our core purpose

Solutions for sound living

Uponor provides solutions that bring comfort to its customers' lives, involving many aspects, such as physical well-being, safety and peace of mind. Uponor's solutions are technologically advanced, cost-efficient in lifecycle terms, environmentally oriented and ethically sound.

Sustainable, profitable growth to enable continuous improvement

Continuous improvement and innovation are Uponor's key drivers, embedded in our core values, providing solid foundations for growth. However, Uponor is not prepared to grow at any price – our growth must be based on the genuine added value we generate for our customers and their reward for it. Growth in turn provides us with the resources needed for developing the company further and generates more value and wealth for all of our stakeholders.

Our core values

Ready to serve

Entrepreneurship

Commitment

Continuous innovation

Respect for life

Overview of businesses

Uponor in brief

Uponor's goal is to strengthen its market position by continuously investing in a versatile, differentiated, value-adding systems offering and thereby build the recognition of the Uponor brand as a leading provider of housing and infrastructure systems.

Uponor offers solutions for residential housing and other constructions, as well as various pipe systems for municipal and environmental infrastructure. We seek to enhance comfort through our products; for residents this means safety, reliability and ease-to-use systems and for installers fast and smooth installation together with maximum dependability. Our products save energy, and are environmentally friendly and cost-effective throughout all phases of their production and use.

Uponor has a strong and growing presence in its key market areas, Europe and North America, as a supplier of radiant underfloor heating systems and plastic-aluminium and all-plastic tap water systems.

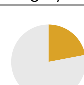
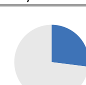
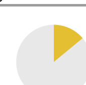
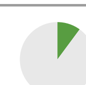
Our endeavours to recognise and cater to the customers' needs have seen us implement a range of state-of-the-art, ambitious solutions. A recent example of these is the cooling system connected to radiant underfloor heating.

Uponor is also a prominent supplier of municipal infrastructure pipe systems in Europe. We offer solutions for the distribution of water and gas, for wastewater and rainwater management, for the renovation of existing pipe systems without excavation, for the building of cable networks and for wastewater disposal and treatment in non-urban areas. We aim to develop the safety and reliability of modern infrastructure, to lower the costs for their construction and use, and to promote human well-being without compromising the environment.

Uponor's regional organisation

Uponor adopted a regional organisation on 1 March 2004. Here is a brief description of each Region:

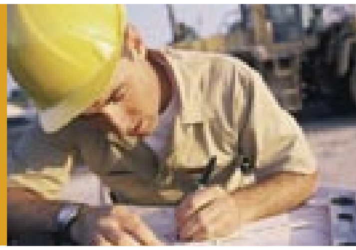
Uponor's market position

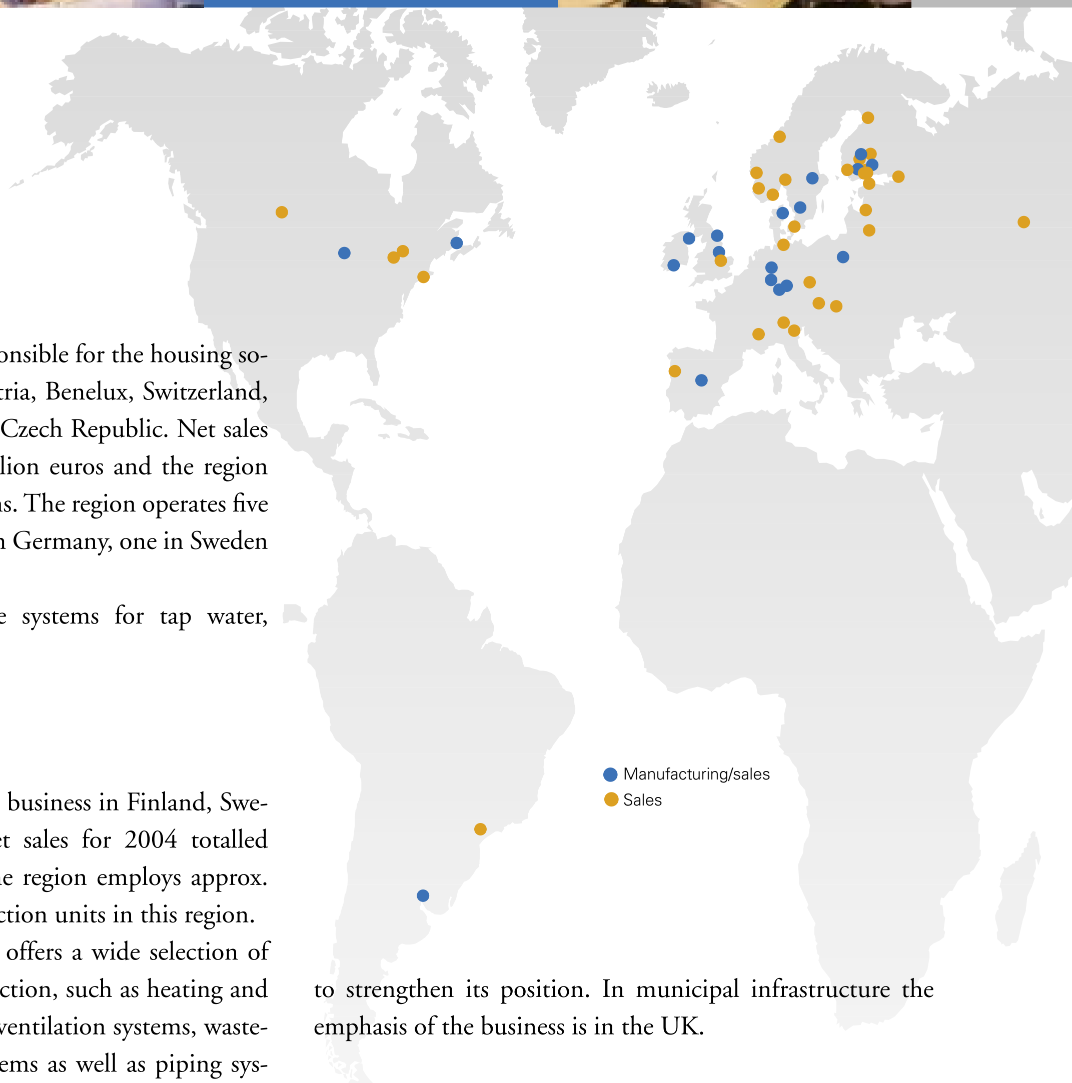
	Residential		Infrastructure	
	Underfloor heating systems	Tap water systems	Utilities (gas and water)	Civil engineering (sewer and storm)
Segment share of the net sales 2004				
Nordic	• • •	• • •	• •	• • •
Central Europe	• • •	• •		•
Europe Other	• •	•	• •	•
North America	• • •	• •		

• • • = in top 1 or 2 • • =in top 3 - 5 • = market presence

The table describes Uponor's market position in certain residential and utility market segments.

Definitions: Underfloor heating here refers to water-borne radiant floor heating. Tap water includes metal and plastic applications; in North America only PEX, copper and CPVC products. The infrastructure market includes only products made of plastics.





Uponor Central Europe

The Central Europe region is responsible for the housing solutions business in Germany, Austria, Benelux, Switzerland, Poland, Belarus, Ukraine and the Czech Republic. Net sales in 2004 totalled approx. 334 million euros and the region had a staff of approx. 1,400 persons. The region operates five production plants, of these three in Germany, one in Sweden and one in Poland.

Core businesses include pipe systems for tap water, cooling and underfloor heating.

Uponor Nordic

The Nordic region covers Uponor business in Finland, Sweden, Norway and Denmark. Net sales for 2004 totalled approx. 290 million euros and the region employs approx. 1,200 people. There are six production units in this region.

In the Nordic region Uponor offers a wide selection of products for building and construction, such as heating and tap water systems, sewer systems, ventilation systems, wastewater treatment and disposal systems as well as piping systems for the construction and renovation of municipal water and sewer networks.

Uponor Europe – West, East, South

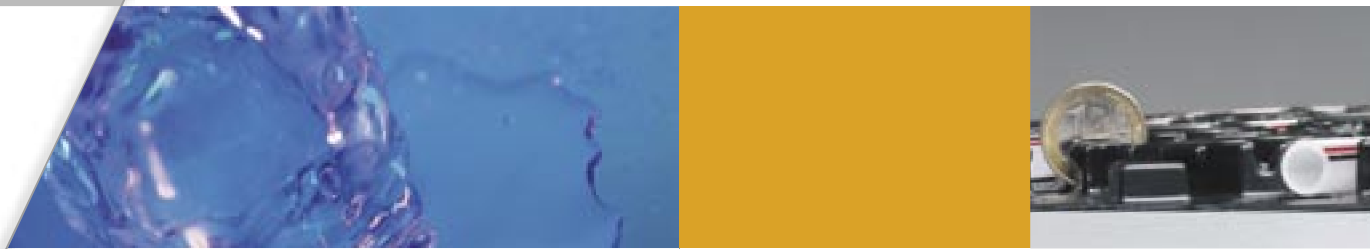
Uponor Europe – WES is responsible for Uponor businesses in Western, Southern and Eastern Europe, including Russia and the Baltic countries, as well as for international business and exports to countries not covered by the other regions. 2004 net sales totalled approx. 330 million euros in this region and it employs approximately 1,200 people. There are six production units.

In heating and tap water systems Uponor occupies a strong market position in Spain, Portugal and the Baltic countries. In the UK, Italy and France, Uponor aims to strengthen its position. In municipal infrastructure the emphasis of the business is in the UK.

Uponor North America

The North America region sells its products to the United States, Canada and Mexico, and has two production units. In 2004, net sales totalled approx. USD 193 million (EUR 155 million), and the region employs approximately 500 persons.

Uponor offers plumbing systems and underfloor radiant heating systems to residential homes and commercial buildings. It also offers a multi-purpose plumbing and fire sprinkler system for one- and two-family homes. Uponor's offering is complemented by snow and ice melting systems for streets, sidewalks and driveways, and soil and turf conditioning systems for sports fields.



The year 2004 in brief

Markets

Construction-sector markets continued their satisfactory and steady trends during 2004. Although demand varied by region, Europe and North America – Uponor's main market areas – showed favourable market development as a whole.

Financial performance

In 2004, Uponor posted consolidated net sales of EUR 1,072.8 million (2003: EUR 1,021.0 million). The growth was mainly achieved through satisfactory market situation and good demand for Uponor's products. In comparable terms, net sales grew organically by 11.0 per cent, taking account of business divestments, restructuring costs and exchange-rate changes.

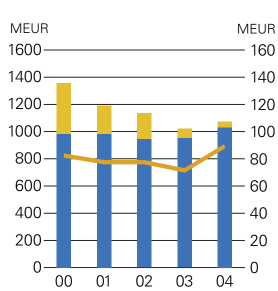
North America and Central Europe were the Regions experiencing the strongest growth, however, also the other Regions increased their net sales and achieved the long-term targets.

Consolidated operating profit reported for the period came to EUR 97.9 (30.7) million, which is 9.1 per cent of the net sales. In comparable terms the profit improved with 22.2 per cent. The results of the restructuring and efficiency measures are starting to bear fruit.

Restructuring

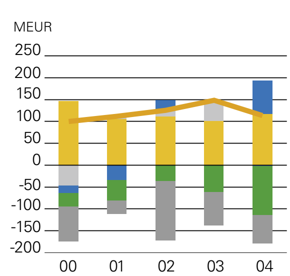
In 2004, Uponor implemented an extensive restructuring programme with a view to establishing larger, specialised production units and streamlining production and logistics beyond regional borders. The programme covered both the housing solutions and infrastructure and environment businesses, reducing the Group's staff by around 400. The most significant measures involved in the programme included concentrating the manufacture of Unipipe composite pipe systems to Zella-Mehlis, decision to discontinue PEX-b products, exit from the municipal infrastructure business in Iberia and reorganisation of municipal infrastructure production and logistics in Nordic.

Net sales and operating profit



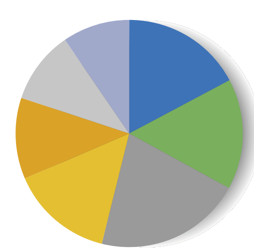
- Current business
- Divested business
- Operating profit (current business), rhs

Cash flow



- Financing
- Dividends and buybacks
- Cash flow from investments
- Change in net working capital
- Net cash from operations
- Cash flow from operations

Net sales by geography 2004



North America	17
Germany	16
Other EU countries	21
Scandinavia	15
UK & Ireland	12
Finland	10
Other countries	9

Other events

In September, Uponor exited its gas pipe business in the U.S., whereby its wholly owned subsidiary, Uponor Aldyl Company, Inc., sold its business to PW Poly. Late November saw Uponor's withdrawal from the real estate business, when it divested its real estate subsidiary, Renor Ltd, to Grouse Holding Oy, a Finnish company.

During the year Uponor continued its heavy investment in training professional installers and engineers, and new training centres were opened in countries including the U.K., France, Finland and Russia. To support its strongly expanding business operations, Uponor implemented its greatest ever production capacity increase in North America. The year saw a few highlights in the launch of product and solution innovations, especially for renovation. Introduced in Central Europe, new underfloor-heating design software common to Uponor's main brands met with a favourable reception in the market.

Personnel

As a result of streamlining efforts and divestments due to the restructuring programme, the number of the Group's employees continued to fall. The Group had a staff of 4,475 (4,803) at the end of the year. A Group-wide working-climate survey was carried out among all employees.

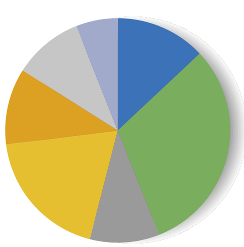
Shares

In November the Extraordinary General Meeting (EGM) decided to double the share capital and the number of shares, by issuing one bonus share for each existing share without consideration.

The volume of Uponor shares traded on the Helsinki Stock Exchange totalled 49.7 (27.9) million, valued at EUR 676.6 (280.8) million in 2004. The year-end market capitalisation of the outstanding shares was EUR 1,029.5 (935.4) million.

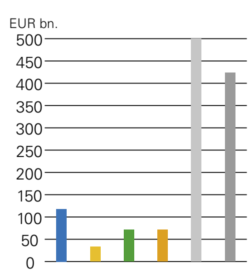
At year-end, Uponor had 5,255 (3,998) shareholders, with foreign shareholding accounting for 31.9 (30.0) per cent.

Personnel by geography 2004



North America	13
Germany	31
Other EU countries	10
Scandinavia	19
UK & Ireland	11
Finland	10
Other countries	6

Residential construction market 2004

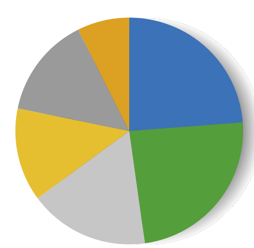


- Germany
- Nordic countries
- UK and Ireland
- Spain and Portugal
- Western Europe, total *
- USA **

* Western Europe: AT, BE, DK, FI, FR, DE, IE, IT, NL, NO, PT, ES, SE, CH, GB
** Converted into EUR with fx-rate 1.3
Source: Global Insight, Euroconstruct 12/2004

Western European* construction market 2004E

1045 EUR bn.



	%
New residential	24
Residential renovation and modernisation	24
New non-residential construction	17
Non-residential renovation	13
New civil engineering	14
Civil engineering renovation	8

* Western Europe = AT, BE, DK, FI, FR, DE, IE, IT, NL, NO, PT, ES, SE, CH, GB
Source: Euroconstruct 12/2004

Review by the CEO

"The key elements in the Uponor business model include installers, engineers and wholesalers; we can and will bring into this whole our own expert know-how in our special sector."

Change spawns profitable growth

Readers will notice a raised bar diagonally traversing the cover of this annual report, breaking up an otherwise continuous row of images. The same effect is repeated throughout, depicting a break with what has gone before, following which the parade of images resumes based on a new, complete set.

For Uponor, 2004 formed just such a watershed, the completion of our withdrawal from the real estate business towards the end of the year representing more than winding up a single operation. This divestment brought to a close the industrial transformation process begun in the early 90s by Uponor's predecessor, Asko Oy, through which a conglomerate abandoned non-core businesses to focus on plastic pipe system manufacture. A decade was to elapse before the completion of this far-sighted process involving many phases.

However, we take greatest pleasure in Uponor's strong organic growth last year, being particularly pronounced in North America, whose markets – despite the expectations of many – retained their extremely healthy levels to turn in another record year in housing starts. We grew our net sales by close to 30 per cent in the U.S. and Canada. Our major production expansion over there acts as proof of the fact that we want to further consolidate our market position in the North American markets, which are increasingly significant to the whole Group.

German markets remain challenging, causing many to look back ruefully on the lively years of the late 90s, from whose buoyant levels demand has so far fallen by half. Our healthy growth figures in net sales in Germany are indicative of the competitiveness of our product and service offering. The strong upward trend in sales of plumbing systems deserves a special mention, our market-leading Unipipe-composite pipe succeeding in particular, even without market pull. Moreover, Central Europe's radiant underfloor heating markets show clear signs of emerging – although slow – recovery.

Turning our attention to the Nordic countries, we have in the past couple of years put quite a lot of effort into the tap water system markets, which has made us stronger as a housing solutions provider. Last year we boosted our production and distribution capacity in the municipal infrastructure sector serving our Nordic region, with the aim of serving our customers even better there.

In the main, good news arrived from other markets – southern Europe, the U.K., the Baltic countries and Russia. Despite variations between national construction markets, Uponor's business model has proved effective and robust everywhere we operate.

Sharper strategic focus

For Uponor, 2004 was both eventful and busy, seeing us sharpen our strategic focus based on four main themes:

- We aim to become the market leader in those segments in which we operate.
- Our core businesses, in which we offer outstanding expertise, are radiant underfloor heating, tap water systems and municipal infrastructure technology, based on which we will seek future growth.
- The key elements in the Uponor business model include installers, engineers and wholesalers; we can and will bring into this whole our own expert know-how in our special sector.
- We shall turn Uponor into a coherent, integrated company resting on consistent operating policies and models.

Our future will be based on profitable organic growth, with improvement of profitability as a key target.

In 2004, both in relative and absolute terms, we achieved major profitability improvements thanks to a variety of measures and the committed efforts of our staff. While robust sales growth played its part in this, our improved cost structure was also crucial.

Restructuring clarifies core competences

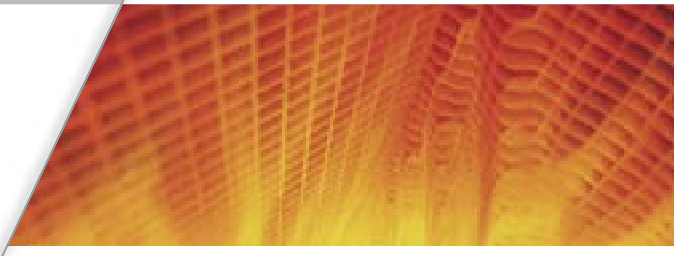
Extensive restructuring formed one of 2004's key themes, most of which was brought to completion as planned, by the turn of the year. While work remains to be done at the beginning of 2005, all of the restructuring measures have already been published at the time of writing.

This ambitious restructuring programme has clarified our core competencies and streamlined production, an ideal platform for future operations.

The year gone by was my first full year as Uponor's CEO, and I would like to thank our customers for their trust in our company and products. My thanks also to Uponor's staff for their co-operation and unflagging commitment during difficult times which saw both the introduction of new operating policies and structures coinciding with new customer needs arising from sales growth. Our achievements in 2004 have enabled Uponor to strengthen itself as a company and employer, while also reinforcing our shareholders' and owners' belief in us. Once again, many thanks!

Vantaa, February 2005

Jan Lång
President and CEO



Uponor Central Europe

'In 2004, we were able to strengthen our market leadership and markedly improve our net sales in the region. Moreover, our streamlining measures combined with an improvement in net sales contributed to our profit performance,' says ***Bernhard Brinkmann****, Executive Vice President, Uponor Central Europe.*

Our extensive range of system offerings from radiant underfloor heating and cooling systems to tap water systems boosted the growth of Unipipe and Velta – our main product lines, and we were able to increase our market share throughout the region. Uponor Central Europe was able to capitalise on its opportunities in the markets for housing starts, and renovation and modernisation, the latter continuously playing an increasing role in construction and accounting for a larger share of the total market.

In 2004, higher metal prices added momentum to the trend of the last few years, seeing a shift from metallic pipes towards plastic ones. A growing interest in plastic plumbing systems has led to market-share changes which, for their part, have contributed to the improvement in Uponor's net sales.

One of Uponor's key goals for 2004 was to strengthen the recognition and position of the Uponor corporate name and brand in Central Europe, customer communications' core themes involving Uponor's comprehensive expertise and customer added-value provided by Uponor's various product solutions. This consistent approach has helped Uponor respond to toughening competition, particularly in the radiant underfloor heating market, and achieve growth through a higher market share, although market growth in general has been stagnant.

Changing requirements and expectations, such as demand growth in products used in renovation and modernisation projects, have also provided us with new opportunities. We introduced products designed particularly for this sector, such as those needed for radiant underfloor heating, which has fostered our lead in the industry.

Our new organisational structure, which is based on functions beyond our units' borders and has now been in place for over a year, has generated efficiency gains. Our special emphasis on customer relationship management will support our focus on catering for our customers' needs and strengthen our position as a reliable partner. During 2004, we continued to develop our customer-training scheme, which will play a more important role as part of our total offerings.

Business review

Uponor Central Europe Region is responsible for operations in Germany, the Benelux countries, Austria, Switzerland, Poland, the Ukraine, Belarus and, from early 2005, the Czech Republic. With a staff of 1,460 at the year-end, Uponor Central Europe recorded net sales of EUR 334.4 million in 2004.

The region's key success factors include fruitful co-operation with wholesalers and an extensive network of engineers and installers. Uponor's leading market position in the region is largely based on its comprehensive range of high-quality products and systems designed for radiant underfloor heating and cooling and tap water installations. Uponor seeks to develop and upgrade continuously its offerings on the basis of customer needs.

The reorganisation of the region's plants, which continued during 2004, has improved production efficiency. These plants do not only serve Central European customers but also customers in other Uponor regions.

Although the German construction market continued to decline in 2004, and competition toughened in the radiant underfloor heating market in particular, Uponor successfully increased its net sales, thanks to intensified customer relationship management, focused marketing efforts and new product launches.

The overall market recovery in the Benelux countries coupled with the winning popularity of Uponor's state-of-the-art systems gave a boost to sales.

In Austria and Switzerland, construction markets picked up, achieving consistently higher demand after several difficult years. Thanks to intensified and reorganised sales in these markets, Uponor succeeded in considerably expanding its market share.

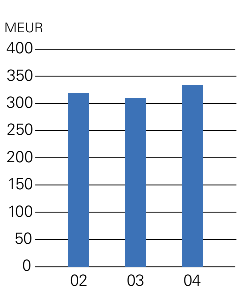
In addition, Uponor has sought to establish a firm foothold in the expanding Polish, Ukrainian, Belarussian and

Czech markets, the opportunities provided by these markets enhancing Uponor Central Europe's sales in the next few years.

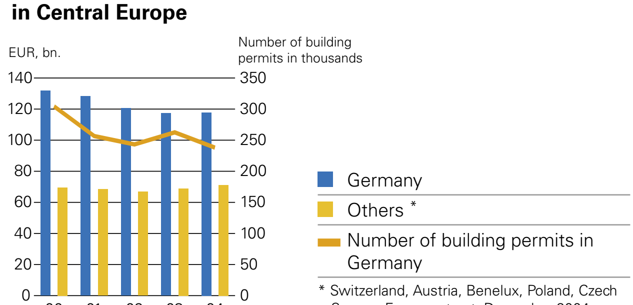
The general market situation will remain challenging and competition is expected to intensify further. Uponor will remain determined to strengthen its market position and increase its market share in Central Europe.

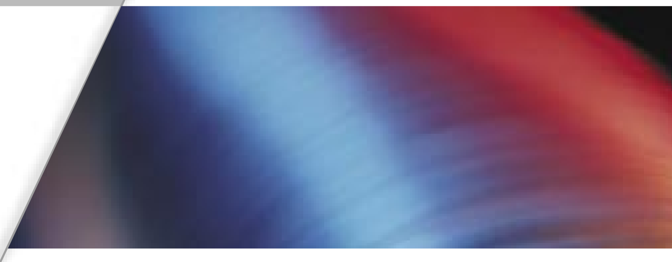
Low operating costs, minimal energy consumption and controlled expenditure for day-to-day running – these are the requirements for modern office buildings set by both property developers and users. Balanced Office Building (bob) in Aachen, Germany, successfully measures up to these requirements. Key foci of the innovative energy concept lie not only in ventilation and lighting but also heating and cooling. Uponor's Velta Contec, a system for heating and cooling based on activating the structure's concrete core, was selected to provide comfort, flexibility and energy efficiency.

Net sales



Residential construction market in Central Europe





Uponor Nordic

'Uponor's strength in the Nordic countries lies in its strong and renowned corporate brand and leading market position. In 2004, Uponor Nordic increased its sales, further strengthened its position and introduced new products on to the market. Throughout the Nordic region, Uponor aims to operate under a consistent brand strategy and to continue consolidating co-operation across borders. In addition, our aim is to encourage end users to become committed to co-operating with us in the future,' explains ***Anders Tollsten,*** *Executive Vice President, Uponor Nordic.*

During 2004, within housing solutions, we focused on implementing our region-wide strategy and developing our business in line with the Group's strategic goals. We also took measures to harmonise our product range. These measures are expected to bear fruit during 2005. Within municipal infrastructure, we completed the restructuring of production and logistics, upgraded our processes and built consistent pan-Nordic product offerings.

On the basis of general Nordic trends, we know that people are interested in their well-being and eager to contribute to their living comfort - but not at any cost. In this respect, we develop our product offerings on an ongoing basis in order to enable living comfort cost-effectively.

Norway, Sweden and Denmark boast an extremely high proportion of comfort-enhancing radiant underfloor heating currently being installed in new detached houses. In Finland, the annual share of this heating technique is also growing significantly, as evidenced by around half of new detached houses already making use of it. This technology also provides the possibility for cooling implementation. I firmly believe that we are able to offer an excellent product mix for these needs – with respect to environment.

Our market is continuously consolidating in terms of both our customers and competitors. We continue to develop our business to meet the needs of these larger customers. In line with our long-term strategy, we aim to nurture high-quality operations and products while developing our service offerings. In 2005, we will increase training opportunities for our key customers – professional installers, architects and engineers – with the aim of cementing customer loyalty and ensuring performance efficiency of our key customers.

Business review

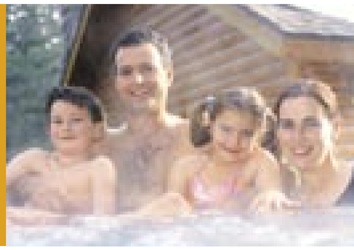
Operating in the markets for housing solutions and municipal infrastructure in Finland, Sweden, Norway and Denmark, Uponor Nordic recorded net sales of EUR 290.6 million in 2004, up by around 6 per cent, year on year.

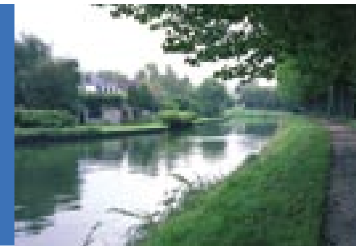
Uponor Nordic's product range includes heating and cooling systems, tap water systems, ventilation systems and other housing-technology products as well as pipe systems for municipal infrastructure, with major customers representing installing contractors, engineering firms, municipalities, public-sector organisations, retailers, wholesalers and construction companies.

The most important demand factors contributing to Uponor sales include the volume of housing starts, the overall level of construction industry activity and the volume of public infrastructure construction, such as roads and sewerage and water networks.

In the Nordic countries in 2004, construction activity remained at a high level, with Finland in particular experiencing buoyant housing construction within the one-family home sector. Uponor is one of the largest providers of housing solutions in the region; it leads the markets for radiant underfloor heating and tap water systems in particular. Buttressed by its strong market position, Uponor was able to capitalise on favourable economic conditions. In 2004, Uponor placed a special emphasis on training and harmonising and further developing its offerings.

Also in municipal infrastructure Uponor is among the leading players in the industry. Significant efficiency measures were undertaken during the year to enhance the business. In order to streamline its production and logistics, the capacity at the Fristad plant in Southern Sweden was enlarged, and simultaneously the Vårgårda plant nearby closed. The production plant in Norway was divested.





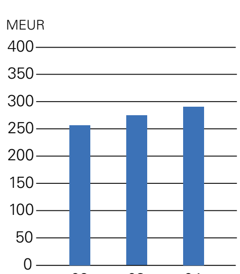
During 2004, Uponor continued its promotional campaign of many years for leakproof tap water installations with the aim of boosting the use of plastic pipes, thus minimising the risk of water damage in buildings. In Sweden alone, repairs caused by water damage cost around EUR 550 million every year, due mainly to tubing corrosion, freezing and installation-related leakage. This campaign is expected to have the most significant effect in Sweden because it still has a fairly low usage rate of plastics in tap water installations, unlike Finland, Denmark and Norway.

Uponor Nordic expects its net sales to continue to grow in 2005, with respect to both housing solutions and municipal infrastructure. The greatest potential in the region will be provided by tap water systems, radiant underfloor heating and cooling systems and their comprehensive, cost-effective solutions. In the development of product offerings and marketing, particular attention will be paid to making efficient use of expanding market segments, such as those for renovation and modernisation projects.

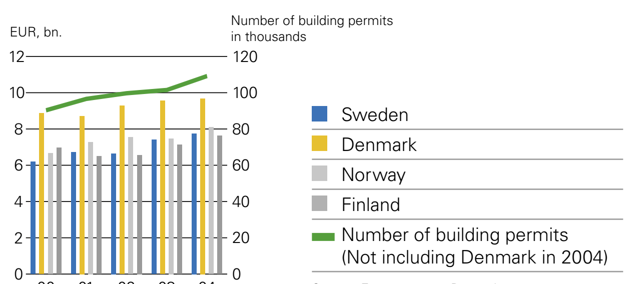
In Sweden, current official regulations stipulate that every household must have a solution for wastewater treatment – also in scarcely inhabited areas. As a result, this is expected to give a stimulus to sales of these products within municipal infrastructure in 2005.

A one-family log house on display in the Finnish Housing Fair was completed on the lake waterfront in the summer of 2004. Concerned with the immediate surroundings and water system, the family opted for Uponor's biological-chemical wastewater treatment plant. The house uses geothermal heating, which distributes heating evenly thanks to radiant underfloor heating. Clean indoor air is guaranteed by a ventilation system, whose hygienic plastic ducts neither absorb dust nor let it circulate in indoor air. The system features a humidity sensor and heat recovery function, which protect the house and save energy. The house serves as a good example of Uponor's wide range of solutions considering that it supplied not only underfloor heating and ventilation systems but also tap water, sewerage and rainwater sewer systems.

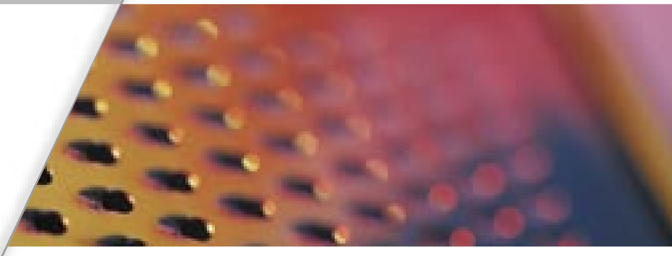
Net sales



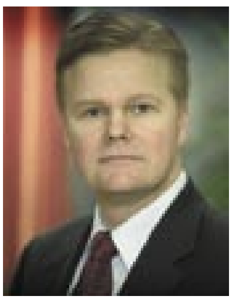
Residential construction market in the Nordic countries



Source: Euroconstruct, December 2004



Uponor Europe – West, East and South



´Uponor Europe – West, East and South showed favourable developments, with a marked growth in net sales and an improvement in profitability. During 2004, we discontinued our municipal infrastructure business in Portugal and Spain as part or our strategy reformulation to abandon unprofitable markets in which achieieving a strong market position is unlikely,' explains ***Jukka Kallioinen****, Executive Vice President, Uponor Europe – West, East and South.*

Our operating region will provide us with a number of growth opportunities in the future, based on the large size of this geographic region, our on-average small market share in our main segments and the unsophisticated systems dominating the market, providing a solid footing for profitable growth.

Uponor's business in Europe – West, East and South covers both housing solutions and municipal infrastructure business.

Our key housing technology application involves tap water systems for comprehensive solutions for both housing starts and renovation and modernisation. We have a broad technology base, and provide plastic and composite tap water systems and metal and plastic fittings. The range of control systems used in heating systems forms an increasingly more integral part of the total solution package. In addition to our product offerings, the role of planning and training services is continuously growing in our business operations.

Within municipal infrastructure, water and gas supply solutions generate the majority of our net sales, with our related product offerings shifting rapidly towards specialised Uponor solutions as opposed to mainstream ones, while the range of standard products will account for a smaller share. These new solutions will in the first place be reflected in superior installation features, a longer service life, greater security and lower total costs. Our focus on biological wastewater treatment systems for scarcely inhabited areas, has been a success,as this product line has shown rapid growth in Germany, and markets are also expected to expand in the rest of Europe through more strict environmental directives. Within municipal infrastructure, we aim to focus only on market areas and products in which we are able to achieve a leading position on a profitable basis.

Business review

Uponor Europe – West, East and South covers sales of housing solutions and municipal infrastructure in western, eastern and southern Europe, including Russia and the Baltic countries, as well as exports to countries which do not fall under Uponor's other regional organisations' responsibility. In 2004, this region posted net sales of EUR 330 million, up by 10 per cent on a year earlier, of which municipal infrastructure accounted for 55 per cent.

Uponor holds a strong position in the Spanish, Italian and Portuguese markets for plumbing and heating systems. In the U.K., France, the Baltic countries, Russia and southeastern Europe, Uponor seeks to strengthen its market share. U.K. gas, water and telecommunications applications represent the main markets for municipal infrastructure.

In Spain, Portugal and Italy, Uponor aims to expand and deepen its housing solutions product range across the board, while France and the U.K. have the greatest growth potential for tap water systems.

Uponor seeks to vigorously increase its service offerings related to its product business, as evidenced by training centres opened in 2004 in Russia, France and the U.K. Services targeted at installers, engineers and builders, such as training, technical support and system planning, already account for a large share of total offerings. In Spain, Uponor extended its popular customer loyalty programme, now in place for some time, to cover all players within the business chain, from planners and distribution-channel operators to installers. This programme aims to develop Uponor-customer processes, based on co-operation with customers, and to strengthen Uponor's brand.

2004 saw the closure of municipal infrastructure plants in Portugal and Hungary and a sales company in Spain. These

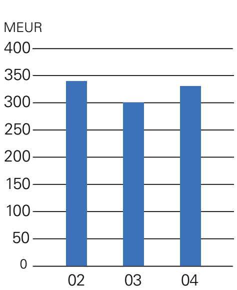
measures are part of Uponor's restructuring programme aimed at improved profitability and a focus on the company's strongest business areas, in terms of both geographic regions and products.

In Russia, Uponor provides standard housing solutions products and the related training. Since early 2005, all business operations have been managed under the Uponor brand and a single company. The dynamic Russian construction sector and growing demand for sophisticated housing-technology solutions coupled with our active training service will strengthen Uponor's lead in the industry. Lack of well-performing and cost-effective heating systems and the need for upgrading households' tap-water quality will boost demand. As the market leader in the Baltic countries, Uponor still expects favourable sales development, despite fiercer competition.

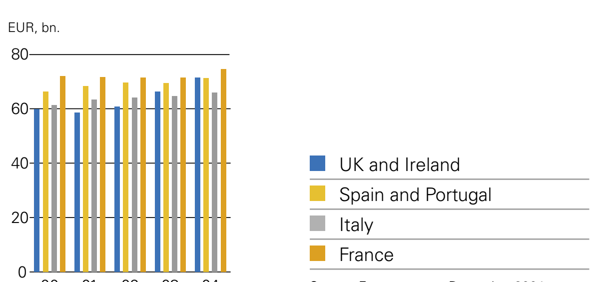
Uponor Europe – West, East and South expects to grow above the market average, with demand for tap water systems within housing-technology solutions remaining at a healthy level. Uponor's goal is to open new markets for its existing product solutions while extending sales in its main markets to new comprehensive solutions. Within the municipal infrastructure business, it aims to focus on segments and countries in which it is able to take the lead.

Uponor supplied plumbing systems for 340 homes in a new residential building area near Madrid, Spain, due for completion in the spring of 2005. An engineering firm that decided to opt for Uponor's solution appreciates Uponor's ability to supply a comprehensive package with plastic fittings and the opportunity to make use of installers trained and authorised by Uponor. The system's fast and easy installation gave Uponor a head start over rival systems.

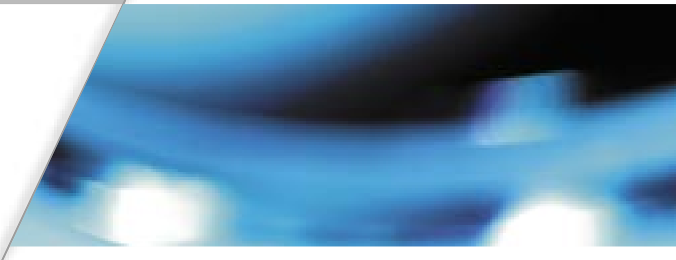
Net sales



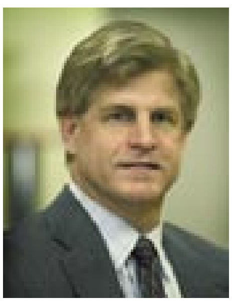
Residential construction market in western and southern Europe



Source: Euroconstruct, December 2004



Uponor North America



*'During 2004, housing starts in North America remained at a healthy level while non-residential construction activity perked up. In North America, Uponor posted improved net sales and increased its production capacity', explains **Jim Bjork**, Executive Vice President, Uponor North America.*

The segments in which we compete in North America are dominated by well-established technologies. For example, forced air is still the dominating standard in the residential heating market, accounting for more than 90 per cent of the market. Similarly, copper tap water systems lead the residential construction and light commercial markets. Many Americans and Canadians are not even aware that they have more efficient, cleaner and quieter options available for heating and plumbing their homes. This is why a key element of the Uponor mission is to increase consumer awareness of these solutions in the North American market.

Our determined efforts are gradually bearing fruit. Within the industry, Uponor North America has steadily built a strong market position through its flagship brand, Uponor Wirsbo, as evidenced by a survey conducted by an independent industry-trade publication, according to which Uponor Wirsbo was noted by far the strongest brand in its segment.

Key to our success is our excellence in sales, distribution and installer networks. We are in close co-operation with our partners and installers with a view to enhancing Uponor brand awareness, implementing local promotion campaigns and supporting sales and installation in the field. In this respect, Uponor's extensive training and technical support forms the key successful formula.

In 2004, Uponor North America took measures to streamline its operations aimed at achieving efficiency gains. In October, we announced that we would discontinue RTI and Plasco brands and close the PEX-b pipe systems manufacturing plant in Langley, southwestern Canada. We aim to operate consistently under the Uponor Wirsbo brand, sharpen our market positions and focus on PEX-a technology. We also launched an extensive project for updating planning and control processes and upgrading R&D.

Business review

Uponor North America Region's primary business includes flexible plastic tap water systems and radiant underfloor heating systems for homes and commercial buildings, complemented by snow and ice melting systems for streets, pavements and driveways, as well as soil and turf conditioning systems for sports fields and a unique, multi-purpose plumbing and fire sprinkler system for one- and two-family homes. In 2004, Uponor North America recorded net sales of USD 193.0 (EUR 155.1) million, representing a year-on-year improvement of 28 per cent. In response to growing demand, in 2004 Uponor North America increased significantly its manufacturing capacity at both its Appley Valley and Saint John plants.

During the year, Uponor further strengthened its product offerings by introducing new products that support system design and installation reflected in cost-savings. The year also saw improvements in services and technical support for contractors, including upgraded technical documents and product literature, marketing support, loyalty programmes and the popular Mini-Camp training courses for professional contractors. Uponor also featured in several trade journals.

In order to stay on top of market developments and identify opportunities to serve customers better, Uponor hosts annual focus groups with its heating and plumbing contractor advisory boards representing key installers from across North America. These installers provide Uponor North America with valuable feedback used for product and system development.

Uponor North America is an active player in industry groups in order to promote product codes and standards. Although plastic-plumbing solutions as relatively new systems in the market are not yet approved by all North Amer-

ican plumbing codes, major progress was made in 2004. At the moment the only state which does not include plastic plumbing in its plumbing codes is California.

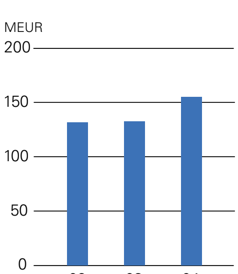
In North America, the consolidation trend among homebuilders continued during 2004. Homebuilders are aggressively seeking products that meet their clients' needs to guarantee their competitiveness, and increasingly opt for Uponor's products.

North American economic conditions are expected to remain at a healthy level and, while housing starts are expected to decline slightly, home construction will remain fairly robust. Uponor North America sees favourable growth prospects for 2005, and the development and streamlining measures are expected to contribute favourably to performance.

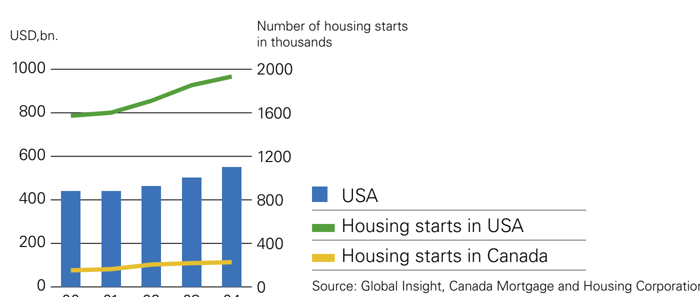
Although Uponor currently holds a strong position in the market, maintaining its number one position will require continuous improvement. During 2005, Uponor North America will continue to identify opportunities to take care of its customers, build its markets and invest in resources to ensure continuous profitable growth.

Growing awareness of alternative heating systems among consumers has increased the adoption of radiant underfloor heating installations, especially for one-family houses. Home-owners are paying increasing attention to comfortable living and easy maintenance, which favours the systems Uponor supplies. This one-family home in Milwaukee, Wisconsin, was designed by one of Midwest's most prominent residential architects, Vetter-Den Architects.

Net sales



Residential construction market in North America



Development

2004 was dedicated to the creation of a more unified Uponor. This new strategic approach, One Unified Uponor, involves transforming independent units into a single, consistently operating corporation applying harmonised operating policies and processes. The brand strategy and brand management also play a vital role in this process, gradually leading to a shared corporate culture on a Group-wide basis. This transformation is a major organisational change since Uponor's units used to operate highly independently. All in all, Uponor's goal is to become a leading international supplier of housing, building and environmental technology solutions.

As part of the company's focus on its core business, 2004 also saw company divestments and plant closures, and in line with its strategy, Uponor divested its domestic real-estate business at the end of the year.

Consistent corporate culture and policies

Uponor has decided to adopt a Group-wide enterprise resource planning (ERP) system, entailing the upgrade of competencies, processes and tools. In this respect, the company has already launched an extensive process development programme, with its key goals including the creation of standardised planning and control processes for product and service offering management, sales, production and logistics throughout Europe. A similar ERP project is under way in North America.

In support of the ERP project implementation, Uponor has provided its staff with comprehensive, competence-enhancing training. It has embarked on building new systems and upgrading existing information systems in order to ensure that the required tools will also support these shared, standardised processes. During 2005, Uponor is going to continue its internal integration and provide a solid foundation for subsequent development efforts.

The aim of strategic brand management is to create a consistent corporate and visual identity and operating model, build up added value and enhance customer loyalty, with One Unified Uponor acting as the starting point: the same message in all markets, one uniform brand, competitive products and consistent operating policies. This change in Uponor's strategic approach is reflected in its metamorphosis from a pipe supplier into a housing and environmental infrastructure technology expert. Launched at the turn of the millennium, the strategic brand development project will continue, 2005 seeing the introduction of strategic renewals.

Product development generates synergies

While restructuring the Group's organisation, Uponor revamped its product and system development model with the result that the Group runs competence centres in Finland, Germany, Sweden, the U.K. and the U.S. All of these competence centres cater for Group-wide needs in an effort to increase cross-border development work in order to ensure maximum efficiency in resource use. Thanks to this new operating model, Uponor can more effectively define key Group projects and allocate resources for them.

Likewise, product-offering management experienced improvements during 2004, one of its most important goals including taking customer needs and feedback better into consideration. In this development work increased attention is paid to the provision of diverse service packages, such as training and planning systems, integrated with the total offering in order to ensure a more comprehensive service for the customer and encourage sales-enhancing efforts.

Product development places a particular emphasis on products based on, or closely related to, the company's existing range of solutions, such as radiant underfloor heating, cooling or tap water systems. The ever-more stringent drinking-water regulations in Europe are setting higher requirements for pipe materials, which is why the related development work is essential, as well.

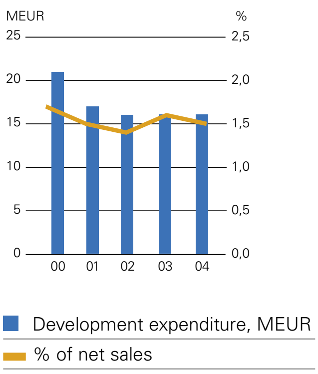
As part of its organisational changes, Uponor perfected its supply-chain management in 2004 when this function began to be steered on a Group-level basis. The year-end already saw steering groups up and running specialising in the development of production, production technology and distribution chains. Networking helps Uponor create standardised measurement tools and more effective standardised processes while enabling it to make more efficient use of economies of scale.

Competence creates success

Uponor's success lies in its skilled and motivated staff, which is why competence development plays a major role in meeting strategic goals.

In 2004, Uponor conducted its first-ever Group-wide personnel survey, and its response rate of around 70 per cent can be regarded as an excellent result. Providing the management with valuable information on employees' skills, job motivation and working conditions, this survey is to be repeated annually in order to capitalise on information on developments and analyse the success of previous measures.

Group development expenditure 2004



To support the change towards a more unified company, Uponor's top management went on a roadshow in the units. In the picture Anders Tollsten, Executive Vice President, Uponor Nordic, giving a presentation in the office of Uponor Wirsbo in Sweden.

During the next few years, Uponor will make use of customised training programmes in the development of its employee competencies. Around hundred of Uponor managerial staff will participate in executive training aimed at widening knowledge, putting corporate strategy into action and reinforcing the change process. In addition, the Group's Executive Committee members can enhance their competencies through a special training programme.

Market trends in 2005

In 2005, demand for comprehensive solutions is expected to increase in the construction market and people in search of easy-to-use and safe solutions will be ready to spend on their living comfort. In particular, demand for products designed for housing renovation and modernisation will show an upward trend as a result of renovation of the existing housing stock. In addition, people are becoming increasingly concerned about clean water. All of these aspects will provide Uponor with promising growth prospects.

Corporate social responsibility

Environment

Environmental, quality and human-resource aspects are high on Uponor's agenda. According to the principles of sustainable development, Uponor pays attention to environmental considerations both in its product development and in production. Most of Uponor's production units are either ISO 9000 or ISO 14000 certified.

Initiated in 2002, the development programme for corporate social responsibility and quality reporting procedures applies to environmental, quality management and human-resource aspects. Based on co-operation with a third-party partner, this programme includes auditing visits to certified units at nine-month intervals. In 2004, most Uponor units were involved in this scheme, whose outcomes Uponor will also utilise on a Group-wide basis in the years to come. In Finland, 2004 saw the launch of a pilot project, providing staff with the opportunity to read Uponor's European units' audit reports on the extranet maintained by Det Norske Veritas, the pilot project's auditor. Making use of this system, Uponor will be able to improve the monitoring of a variety of detected deviations throughout the Group.

Efficient reuse of raw materials

On the basis of Uponor's corporate environmental responsibility policy, the company reuses its manufacturing plastics waste or sells it for recycling purposes or energy use. Once Uponor has crunched this waste, it can reuse it in its production or sell it to recycling companies. Uponor Wirsbo AB's plant in Sweden, specialising in housing technology solutions, has been a trailblazer in waste raw material recycling, as evidenced by its production waste being supplied to a local district heating plant for reuse for energy generation.

Uponor invests heavily in modern production machinery and quality control, with the aim of ensuring low electricity and water consumption, low emissions and safe production processes.

Forward-looking co-operation

Uponor liaises with a variety of organisations and schools in many countries. During 2004, it participated in recruitment fairs and visited vocational and other schools to provide information on its operations in different locations, developments and trends in the industry and the opportunities it provides for graduates entering the job market. Every year, Uponor provides youngsters interested in the industry with placements and on-the-job training, which is highly important for units in different locations in order to secure Uponor employees in the future.

Human resources

In 2004, Uponor launched a long-term strategic human resource development programme based on its new strategic plans, with the aim of creating a more integrated Group characterised by a consistent corporate culture and policies across the regions.

Accordingly, Uponor reshaped its HR function, with an increasing focus being placed on shared, Group-wide aspects and more intense co-operation between units. Its special HR network comprises ten people from its units around the world.

The HR function is responsible, for instance, for analysing and reinforcing the company's competence areas, planning and developing employee training, establishing consistent leadership and incentive systems and measuring achievements. The aim is to create a shared, strategically supportive leadership and incentive model in line with set goals, while providing information on achievements for strategic purposes.

The year saw several measures to implement this strategy. For example, the Group introduced shared guidelines specifying recruitment policies i.e., Uponor announces vacancies on an in-house basis to provide its current employees with new job opportunities or opportunities for job rotation before placing a job advertisement in public. As part of its corporate image harmonisation, Uponor aims to build a consistent employer image.

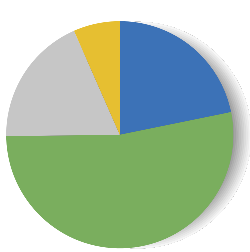
2004 also saw dedicated efforts to develop internal communications, as evidenced by the adoption of new communication channels and tools and the development of the corporate intranet, which operates almost throughout the Group. Intranet development is aimed at shifting away from isolated local services towards a Group-wide service with a view to meeting new challenges on a better footing, increasing communication and interaction beyond units and regions, and providing shared software tools.

December saw our traditional, pan-European Upofor meeting, held in Vantaa, Finland, which is a joint forum for information and communication between employee representatives and senior management.

Uponor's values include nurturing and improving employee well-being and appreciating partners and society. Uponor continued to pay special attention to health and safety at work as part of its ERP activities, with no serious accidents reported for the year.

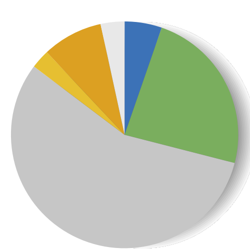
As part of its organisational restructuring during 2004, the Group also began to harmonise its incentive practices. As part of the Group's incentive programme, it introduced a new, three-year share-based incentive plan for Executive Committee members, replacing the stock-option-based plan which expired in August 2004.

Employees by education



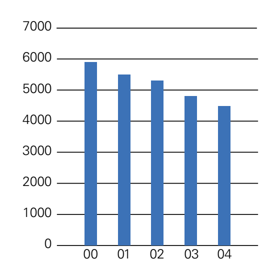
	%
Basic: 9 yrs	22
Intermediate: 9-12 yrs	53
Upper: 12-16 yrs	19
Over 16 yrs	6

Personnel by function



	%
Management	5
Marketing	24
Production	56
R&D	3
Finance and administration	9
Other	3

Personnel at year-end



Review by the Board of Directors

Markets

Construction-sector markets continued their satisfactory and steady trends during 2004. Although demand varied by region, Europe and North America – Uponor's main market areas – showed favourable market development as a whole.

Germany's residential construction market remained relatively stable despite the continued decline in the total construction market; the reduction in housing starts was partly offset by an increase in renovation and modernisation projects. When it came to residential construction activity, Uponor experienced two, relatively buoyant periods between fairly quiet periods early and late in the year: demand in the spring and summer was boosted by the launch of a large number of construction projects based on building permits granted during 2002–03.

In other important European markets, such as the Nordic countries, the U.K. and Iberian Peninsula, residential construction volumes largely remained at the previous year's satisfactory level. Clear improvements in the Swedish and Spanish markets for housing solutions constituted a major exception to this overall trend.

In North America, residential construction saw its second successive record year in 2004: the number of housing starts remained at an unusually high level, with no signs of the expected slowdown despite higher interest rates.

Similarly, the municipal infrastructure market remained stable in the Nordic countries and the U.K., i.e. areas where Uponor is involved in the municipal and environmental infrastructure business on a large scale.

Net sales

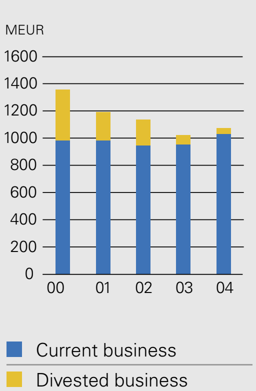
In 2004, Uponor posted consolidated net sales of EUR 1,072.8 million (2003: EUR 1,021.0 million), which was 5.1 per cent higher than the previous year . The growth was mainly achieved through satisfactory market situation and good demand for Uponor's products. In comparable terms, net sales grew organically by 11.0 per cent, taking account of business divestments, restructuring costs and exchange-rate changes.

North America and Central Europe were the Regions experiencing the strongest growth, however, also the other Regions increase their net sales and achieved the long-term targets.

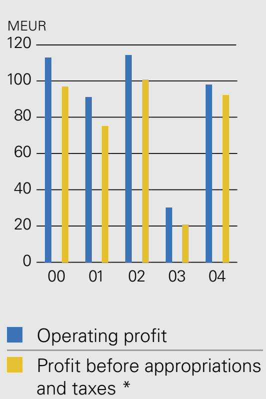
Distribution of net sales from 1 Jan to 31 Dec 2004:

	2004 Jan-Dec	2003 Jan-Dec	Reported change, %	Comparable change, %
Central Europe	334.4	310.4	7.7	12.6
Nordic	290.6	274.4	5.9	6.4
Europe – West, East, South	330.0	300.0	10.0	9.3
North America, EUR	155.1	132.7	16.9	27.7
(North America, USD	193.0	151.2	27.7	27.7)
Others, EUR	60.7	83.9		
Eliminations	-98.0	-80.4		
Total	**1,072.8**	**1,021.0**	**5.1**	**11.0**

Net sales



Operating profit and profit before appropriations and taxes



* excluding extraordinary items

The largest geographical markets and their share of consolidated net sales in 2004 were as follows: North America 17.3 (18.5) per cent, other EU 20.6 (19.7) per cent, Germany 15.8 (16.4) per cent, Scandinavia 14.7 (14.7) per cent, UK and Ireland 11.6 (11.1) per cent, Finland 10.4 (10.6) per cent and other countries 9.6 (9.0) per cent.

The sales for the last quarter of 2004 were, as expected, below the development of the beginning of the year. The net sales totalled EUR 243.3 (247.7) million, i.e. 1.8 per cent lower as previous year. In comparable terms the net sales increased with 5.0 per cent.

Distribution of net sales from 1 Oct to 31 Dec 2004:

	2004 Oct-Dec	2003 Oct-Dec	Reported change, %	Comparable change, %
Central Europe	73.9	77.2	-4,2	0.5
Nordic	69.8	65.5	6.6	6.2
Europe – West, East, South	78.4	69.9	12.2	12.4
North America, EUR	39.4	38.0	3.8	14.4
(North America, USD	51.8	45.3	14.4	14.4)
Others, EUR	5.8	16.9		
Eliminations	-24.0	-19.8		
Total	**243.3**	**247.7**	**-1.8**	**5.0**

Results

Consolidated operating profit reported for the period came to EUR 97.9 (30.7) million, which is 9.1 per cent of the net sales. The profit was up 219.9 per cent on the previous year. In comparable terms the profit improved with 22.2 per cent. The results of the restructuring and efficiency measures are starting to bear fruit.

Profit for October-December 2004 was EUR 13.2 (-32.5) million. The 2003 figure includes provisions for the restructuring programme, change in comparable terms was –10.2 per cent.

Profit after financial items increased by 344.9 per cent, to EUR 92.3 (20.8) million. Profit before appropriations and taxes amounted to EUR 92.3 (20.8) million. Taxes totalled EUR 31.4 (19.2) million. Profit for the financial year was EUR 60.9 (1.6) million.

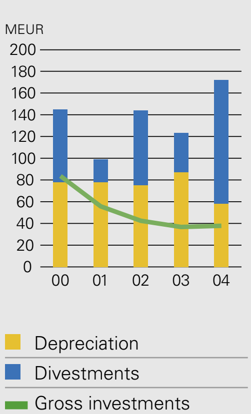
Group net financial expenses decreased to EUR 5.6 (9.9) million as a result of improved balance.

Return on equity was 13.6 (0.3) per cent and return on investment reached 19.2 (4.9) per cent.

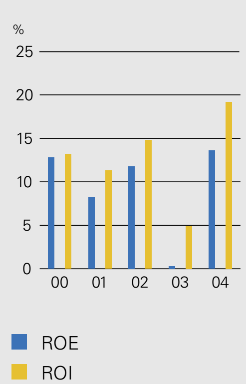
Earnings per share came to EUR 0.82 (0.02) and equity per share was EUR 5.68 (6.34). The difference in the per share figures from last year derives from the bonus issue effected in 2004.

Year on year, cash flow from business operations totalled EUR 113.4 (148.0) million.

Investments



Return on investment and on equity



Investment and financing

Gross investments amounted to EUR 37.8 (36.7) million, i.e. EUR 20.6 million less than the value of depreciation. The amount of net investments was due to divestments negative, i.e. EUR –76.4 (1.2) million. Investments were mainly allocated to restructuring businesses, improving productivity and maintenance. The largest investments were allocated to the enhancements in production capacity in North America.

The Group's R&D expenditure remained at the previous year's level, totalling EUR 16.0 (16.0) million, or 1.5 (1.6) per cent of net sales.

With a marked improvement in the Group's financial position, net interest-bearing liabilities decreased as a result of favourable cash flow and divestments. The solvency ratio was 62.4 (59.8) per cent and gearing was 5 (18) per cent.

Restructuring

In 2004, Uponor implemented an extensive restructuring programme with a view to establishing larger, specialised production units and integrating production and logistics beyond regional borders. The programme also aimed to achieve higher profitability and focus on markets and products that provide Uponor with the prospect of achieving the leading position in the industry.

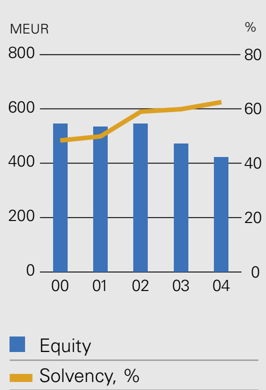
Covering both the housing solutions and infrastructure and environment businesses, the restructuring programme was mainly completed during 2004 as planned, reducing the Group's staff by around 400.

One of the most significant individual measures involved in the programme included discontinuing the manufacture of Unipipe composite pipe systems in Ahlen, Germany, and Móstoles, Spain, and concentrating the production to Zella-Mehlis, Germany. As a result, the Ahlen plant was closed down.

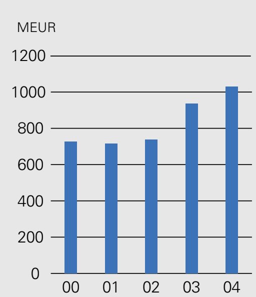
In early 2004, Uponor divested its cable and tap water protection pipe businesses and certain industrial-product and metallic component businesses in Germany on an MBO basis. In addition, the company discontinued downstream equipment manufacture in the pipe extrusion line and divested the business before the summer.

As part of its more focused product offerings, Uponor decided to discontinue globally the manufacture and marketing of its tap water and underfloor heating pipe systems based on the PEX-b technology, resulting in a focus on PEX-a and PEX-c pipes, whose features are ideal for underfloor heating and tap water systems. Deliveries of PEX-b pipes from the Móstoles plant came to an end in the late summer, while their sales in North America ceased at the end of the year. The plant in southwestern Canada will be closed during the first quarter of 2005.

Equity and solvency



Market capitalisation



Uponor decided to discontinue its municipal infrastructure business in Portugal and Spain in the first months of 2005, and close the plant in Vila Nova de Gaia (Porto), Portugal, and sales offices in Spain. This withdrawal is due mainly to the business's weak market position and poor profitability.

In the Nordic countries, Uponor closed an MBO deal to divest its municipal infrastructure pipe production in Furuflaten, northern Norway. In Sweden, Uponor moved production from the Vårgårda plant, closed at the end of the year, to the Fristad plant. Additional investments improved the Fristad production unit's capabilities to serve the markets in the whole Nordic region. These restructuring measures sought to strengthen Uponor's Nordic market position and profitability by enhancing logistics operations and streamlining the organisational structure.

Other events

Municipal Americas

In September, Uponor closed a deal to exit its gas pipe business in the U.S., whereby its wholly owned subsidiary, Uponor Aldyl Company, Inc., sold its business including the majority of the related assets and liabilities to PW Poly, a U.S company, for around EUR 12.5 million (USD 15 million). With a staff of 165, Uponor Aldyl posted net sales of over USD 40 million (EUR 36 million) in 2003. The company was part of Uponor's Municipal Americas division, with which Uponor integrated the Group's municipal infrastructure businesses in North and South America in 2002 with the aim of gradually abandoning the businesses.

Exit from the real estate business

Late November saw Uponor's withdrawal from the domestic real estate business, when it divested its real estate subsidiary, Renor Ltd, to Grouse Holding Oy, a Finnish company. The debt-free sale price amounted to around EUR 90 million, the majority of which was paid at closing while the remaining EUR 18 million will be paid during the next seven years. Simultaneously, Uponor sold its 10.4 per cent holding in Sato-Yhtymä Oyj, a building services company, to Varma Mutual Pension Insurance Company for around EUR 14.8 million. These two deals generated around EUR 86.3 million in cash flow for 2004.

With a staff of 30 on the date of the agreement, the divested real estate subsidiary posted annual net sales of roughly EUR 18 million.

This divestment marked an end to the industrial restructuring process initiated within the Group in the mid-1990s, whereby Uponor, at that time named Asko Group, decided to abandon its non-core businesses and focus on the Uponor plastic pipe business.

Training for professional installers and engineers

Uponor continued its heavy investment in training professional installers and engineers. Such training is aimed at providing designers with information on Uponor's housing solutions and their benefits both in adding living comfort and in building projects, while improving installers' knowledge of modern installation tools and methods with the aim of streamlining project implementation and improving project turnaround times. The year saw extensions in training programmes, and especially in customer loyalty programmes for authorised Uponor installers. New training centres and facilities where opened in countries including the U.K., France, Finland and Russia.

Training is also playing a more important role in the municipal infrastructure business. A case in point is an extensive road show covering nine cities in Denmark arranged for municipal engineering professionals last year, providing them with information on Uponor's new wastewater systems.

Greater production capacity

In addition to the restructuring programme and streamlined operations management, challenges for 2004 included increasing Uponor's production capacity in order to support its strongly expanding business operations. In North America, Uponor implemented its greatest ever capacity increase, expanding the pipe production capacity by the end of 2004 by more than half over the beginning of the year and restoring delivery reliability to a satisfactory level.

Higher raw-material prices

Sharp price increases in raw materials, including a range of resins and metals, affected Uponor's business and profitability during the report year. These higher prices were particularly due to stronger materials demand in Asia and Eastern Europe. Also the prices of many resin types used for plastic pipes showed an extraordinary upward trend, which had the most marked effect on Uponor's municipal infrastructure business that uses a proportionately large amount of plastics in product manufacture. Uponor has passed most raw-material price increases onto selling prices.

Price increases were also noted in the otherwise quite stable prices for resins used for PEX pipe systems within the housing solutions business. In the meantime, copper prices have long remained at high levels, encouraging a switchover from copper tubing to plastic pipe systems in plumbing installations.

New products

The year saw a few highlights in the launch of product and solution innovations, such as the Velta Minitec radiant underfloor heating system for renovation projects targeted at the first stage at the German market, and new control units and boxes for radiant underfloor heating systems for easier planning and installation launched in the North American market. Introduced in Central Europe, new underfloor-heating design software common to Uponor's main brands met with a very favourable reception in the market. In the Nordic countries, Uponor introduced its municipal-engineering customers to ProFuse pipes with a peelable protective outer skin, which can be used to improve the cost-efficiency of water supply network installation and maintenance.

Personnel

As a result of streamlining efforts and divestments due to the restructuring programme, the number of the Group's employees continued to fall. The Group had a staff of 4,475 (4,803) at the end of the year, while the reported average number of employees came to 4,684 (4,962).

The geographical breakdown of personnel was as follows: Germany 1,385 (30.9 per cent), Scandinavia 860 (19.2 per cent), North America 581 (13.0 per cent), the UK and Ireland 490 (10.9 per cent), Finland 429 (9.6 per cent), other EU 455 (10.2 per cent), and other countries 275 (6.2 per cent).

At the end of the year, Uponor carried out a Group-wide working-climate survey among its employees with the aim of providing tools to develop employee competencies and well-being.

Administration and audit

The 2004 Annual General Meeting (AGM) on 17 March re-elected Anne-Christine Silfverstolpe Nordin, Matti Niemi, Pekka Paasikivi and Aimo Rajahalme as members of the Board of Directors and elected Rainer S. Simon as a new member. Horst Rahn withdrew from Board membership. During 2004, Pekka Paasikivi chaired the Board of Directors and Horst Rahn acted as Deputy Chairman until 17 March 2004, since when Matti Niemi has held deputy chairmanship. The AGM appointed KPMG Wideri Oy Ab, Authorised Public Accountants, as the company's auditor, with Sixten Nyman, Authorised Public Accountant, acting as the principal auditor.

At the beginning of March, Uponor adopted a new organisational structure replacing its divisional organisation with a regional one, with a view to creating a more simplified and coherent corporate structure and speeding up decision-making processes. The resulting organisational coherence helps create more consistent Group-wide processes and supports Uponor's efforts to build a more unified company. One organisation responsible for all of the business operations in each geographical area will also strengthen Uponor's market position and the marketing power of the company's product portfolio, with the new organisation being divided into the four following regions: Nordic, Central Europe, Europe – West, East, South and North America. The Group functions supporting the regional organisation-based business management – Finance and Administration, Supply Chain, Human Resources, and Marketing and Development – ensure the creation of consistent processes and guidelines for Group-wide management and development.

Changes in share capital in 2004

Date	Cause	Change, EUR	Share capital, EUR	No. of shares
1 Jan. 2004			74 834 444	37 417 222
19 Jan. 2004	Increase (stock options)	542 000	75 376 444	37 688 222
22 March 2004	Reduction (invalidation of own shares)	1 120 000	74 256 444	37 128 222
28 April 2004	Increase (stock options)	216 000	74 472 444	37 236 222
23 Sept. 2004	Increase (stock options)	348 000	74 820 444	37 410 222
19 Nov. 2004	Increase (bonus issue 1:1)	74 820 444	149 640 888	74 820 444
31 Dec. 2004			149 640 888	74 820 444

At the end of 2003, Uponor revised its Corporate Governance practices to be in line with the recommendation issued by the Central Chamber of Commerce, Helsinki Stock Exchange and the Confederation of Finnish Industry and Employers (TT). Approved by the Board of Directors in December, the revised Corporate Governance came into force on 1 January 2004.

Share capital and shares

At the beginning of 2004, Uponor Corporation's share capital came to EUR 74,834,444 and the number of shares totalled 37,417,222, while the year-end share capital was worth EUR 149,640,888 with the number of shares totalling 74,820,444. With a nominal value of EUR 2, each share entitles its holder to one vote at the shareholders' meeting.

The share capital and shares underwent several changes during 2004, resulting mainly from share subscriptions based on the company's stock option plan. In addition, the Annual General Meeting of March decided to reduce the share capital by cancelling treasury shares and the Extraordinary General Meeting (EGM) of November decided to double the share capital and the number of shares, based on a bonus issue. The table below provides more detailed information on changes in the share capital.

Under the stock option plan 1999/2002, the end of 2003 saw the subscription of 271,000 shares, resulting in the share capital increase of EUR 542,000 registered in the Trade Register in January 2004. During 2004, the number of new shares subscribed totalled 282,000. The number of shares subscribed based on A stock options totalled 89,500 and that on B stock options 192,500, with the respective subscription prices amounting to EUR 13.46 and EUR 17.75. As a result, the share capital increased by EUR 216,000 in April and EUR 348,000 in September. The shares subscribed in 2004 will entitle their holders to receive dividends for 2004; other share-based entitlements became effective upon the registration of the share capital increase with the Trade Register.

Uponor Corporation's stock option plan came to an end on 31 August 2004 i.e., related shares may not be subscribed any longer. Under this stock option plan, a total of 553,000 Uponor Corporation shares were subscribed, each at a par value of EUR 2, increasing the company's share capital by a total of EUR 1,106,000. A total of 7,000 shares were left unsubscribed. The stock option plan had no dilution effect on the value of a share. The company has no other stock option plans in place and the Board of Directors has no valid authorisation to decide to issue new stock options.

The AGM of 17 March decided to reduce the share capital by EUR 1,120,000 through invalidation without payment, a total of 560,000 treasury shares, whereas the EGM of 16 November decided to increase the share capital from EUR 74,820,444 to EUR 149,640,888, based on a bonus issue of EUR 74,820,444. The bonus issue was executed by issuing one bonus share for each existing share without payment, the number of bonus shares totalling 37,410,222 each at a nominal value of EUR 2. The share capital increase was implemented by transferring an amount equal to the combined nominal value of the bonus shares, or EUR 74,820,444, from the capital reserve to the share capital. The new bonus shares entered in shareholders' book-entry securities accounts on 22 November 2004 entitle their holders to a full dividend for 2004. Other share-based entitlements took effect upon the registration of the share capital increase with the Trade Register on 19 November 2004. The bonus issue did not change the proportions of shareholding and voting rights. However, the bonus issue required Uponor to alter its Articles of Association with respect to its minimum and maximum share capital. Accordingly, based on the EGM's decision, the company's new minimum share capital is EUR 75,000,000 and maximum share capital EUR 300,000,000, within which limits the company may increase or reduce its share capital without amending its Articles of Association.

Board authorisations

The AGM authorised the Board of Directors to decide to buy back own shares. The company may use such shares for strengthening its capital structure or financing investments, in consideration of any company acquisitions and other industrial restructuring, or it can dispose of them in some other way or cancel them. This authorisation will be valid until 17 March 2005. The Board of Directors has no other authorisations.

Own shares

Pursuant to the authorisation given by the AGM, the Board of Directors decided on 8 December 2004 to buy back a maximum of 2,000,000 own shares. At the beginning of the report year, the company held a total of 645,000 own shares (treasury shares) bought back based on previous authorisations, 560,000 of which the AGM invalidated in March 2004. The number of the remaining treasury shares doubled to 170,000 shares as a result of the bonus issue.

In December 2004, Uponor Corporation bought back a total of 355,000 own shares, traded on the Helsinki Stock Exchange, for EUR 4.9 million. At the end of the report year, it held 525,000 treasury shares, at a total nominal value of EUR 1,050,000, accounting for 0.7 per cent of the share capital and total votes at the end of the year. The share buybacks have no significant effect on the distribution of shareholdings and votes. Treasury shares carry no balance-sheet value in the financial statements.

Management shareholding

The members of the Board of Directors, CEO and his deputy, as well as corporations known to the company, in which they exercise influence, held a total of 379,418 Uponor shares on 31 December 2004. These shares accounted for 0.5 per cent of the share capital and total votes.

Share-based incentive programme

In April, Uponor Corporation's Board of Directors decided to launch a new incentive programme aimed at Executive Committee members, who would have the opportunity to receive a share-based reward in 2007, based on the attainment of a pre-determined cumulative EBITA target set for the period of three years from 2004 to 2006, corresponding to the maximum net value of 80,000 Uponor shares. The CEO and CFO are not entitled to dispose of the shares earned under this programme during their term of employment without the consent of the Board of Directors. For other Executive Committee members, half of the shares earned are subject to the same restriction. The Board of Directors has the possibility to raise or reduce the number of shares by ten per cent, depending on whether the company's other long-term objectives are achieved.

Events after the financial year

On 1 February Uponor decided on measures to exit the municipal infrastructure business in France and give up the factory in Eastern France. The factory employs approximately 90 persons. The decision was based on the poor profitability of the business and its unpromising outlook.

Outlook

Uponor has entered 2005 as a stronger and more streamlined company. Initiated in late 2003, the Group's restructuring programme was mainly completed during 2004 as planned, involving revamping corporate structures, concentrating business to larger units and focusing on growth areas and products.

Efforts to create a unified Uponor are still underway, with the near-term emphasis on establishing and adopting consistent policies and processes beyond regional borders while harmonising and strengthening the Uponor corporate culture and brand. The required measures will continue to tie up the company's resources and present long-term challenges to personnel, but once these are completed, Uponor will have the efficiency required for an international company to cater for its customers' needs on a competitive basis, while providing customised products and services based on those needs.

The construction market, especially residential construction with related utility water and energy supply and sewer projects, is expected to stay steady during the current year. Uponor does not expect any major movements up or down in the large European markets, although prospects for the German residential construction market seem somewhat bleaker than a year ago. In North America, the market for residential construction is expected to remain brisk, albeit more subdued due to a tighter economic policy. In Europe, renovation and modernisation projects are expected to play a more significant role in stabilising overall demand.

The strength of the euro against the US dollar will curtail consolidated net sales, since North American operations account for 17 per cent of the Group turnover. Exchange rates will have only a minor effect on the North American organisation because it mainly operates on a local scale and production factor prices are chiefly determined in local currencies.

Uponor expects its organic business growth to continue in Europe and North America in line with its targets. The Group expects its cash flow from business operations to remain strong and operating profit and margin to improve from 2004 levels.

From the beginning of 2005, Uponor will prepare IFRS-compliant financial statements, the January–March interim report being the first of these. In March, it will also publish a report containing IFRS accounting principles, comparative data from 2004 and a review of the IFRS's major effects on financial reporting and statements.

Segment information

Net sales	2004 MEUR	Share, %	2003 MEUR	Change, %
Pipe Systems	1,052.5	98.2	999.7	5.3
Real Estate	19.7	1.8	21.1	-6.6
Other/internal	0.6	0.0	0.2	200.0
Uponor Group total	**1,072.8**	**100.0**	**1,021.0**	**5.1**

Operating profit	2004 MEUR	Share, %	2003 MEUR	Change, MEUR
Pipe Systems	102.4	104.6	28.3	74.1
Real Estate	6.3	6.4	12.8	-6.5
Other/elimination	-10.8	-11.0	-10.4	-0.4
Uponor Group total	**97.9**	**100.0**	**30.7**	**67.2**

Investment	2004 MEUR	Share, %	2003 MEUR	Change, MEUR
Pipe Systems	36.8	97.4	35.2	1.6
Real Estate	-	-	1.0	-1.0
Other/elimination	1.0	2.6	0.5	-
Uponor Group total	**37.8**	**100.0**	**36.7**	**0.6**

Personnel at 31.12.	2004 Number	Share, %	2003 Number	Change, %
Pipe Systems	4,442	99.3	4,740	-6.3
Real Estate	-	-	35	-100.0
Other	33	0.7	28	17.9
Uponor Group total	**4,475**	**100.0**	**4,803**	**-6.8**

Definitions of key ratios

Return on Equity (ROE), %	=	$\frac{\text{Earnings before extraordinary items - tax}}{\text{Shareholders' equity + Average minority interest}}$	x 100
Return on Investment (ROI), %	=	$\frac{\text{Earnings before extraordinary items + interest and other financing costs}}{\text{Balance sheet total - Average non-interest-bearing liabilities}}$	x 100
Solvency, %	=	$\frac{\text{Shareholders' equity} \pm \text{minority interest}}{\text{Balance sheet total - advance payments received}}$	x 100
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity + minority interest}}$	x 100
Net interest-bearing liabilities	=	Interest-bearing liabilities - cash, bank receivables and financial assets	
Earnings per share (EPS)	=	$\frac{\text{Profit before extraordinary items} \pm \text{minority interest of profit - tax}}{\text{Number of shares adjusted for share issue in financial period}}$	
Equity per share ratio	=	$\frac{\text{Shareholders' equity}}{\text{Average number of shares adjusted for share issue at end of year}}$	
Dividend per share ratio	=	$\frac{\text{Dividend per share}}{\text{Profit per share}}$	
Effective dividend yield	=	$\frac{\text{Dividend per share}}{\text{Share price at end of financial period}}$	x 100
Price-Earnings ratio (P/E)	=	$\frac{\text{Share price at end of financial period}}{\text{Earnings per share}}$	
Share trading progress	=	Number of shares traded during the financial year in relation to average value of the said number of shares	
Market value of shares	=	Number of shares at end of financial period x last trading price	
Average share price	=	$\frac{\text{Total value of shares traded (EUR)}}{\text{Total number of shares traded}}$	

Group key financial figures

	2004	2003	2002	2001	2000
Consolidated income statement, MEUR					
Net sales	1,072.8	1,021.0	1,137.2	1,192.4	1,355.6
Operating expenses	920.1	910.0	984.0	1,035.3	1,174.9
Depreciation according to plan	58.4	87.1	74.7	78.2	78.4
Other operating income	3.6	6.8	35.7	12.3	10.4
Operating profit	97.9	30.7	114.2	91.2	112.7
Financial income and expenses	-5.6	-9.9	-13.5	-16.2	-15.9
Profit after financial items	92.3	20.8	100.7	75.0	96.8
Extraordinary items	-	-	-	-9.7	9.0
Profit before appropriations and taxes	92.3	20.8	100.7	65.3	105.8
Book result	60.9	1.6	64.2	36.6	77.4
Consolidated balance sheet, MEUR					
Non-current assets	264.7	373.1	455.8	534.6	556.3
Consolidation goodwill	64.6	75.9	91.2	101.7	111.9
Inventories	138.0	135.5	166.5	173.0	187.6
Cash and deposits	29.5	16.9	6.3	31.1	28.6
Other liquid assets	181.6	187.8	207.0	232.6	246.0
Restricted equity	190.5	186.9	179.2	181.6	181.9
Non-restricted equity	231.2	283.1	360.9	344.0	354.6
Minority interest	-	0.9	5.4	8.4	8.0
Obligatory provisions	11.9	31.4	11.4	12.1	14.9
Interest-bearing long-term liabilities	12.6	59.5	100.2	191.7	243.3
Interest-bearing short-term liabilities	40.0	41.5	70.0	122.2	96.0
Non-interest-bearing liabilities	192.2	185.9	199.7	213.0	231.7
Balance sheet total	678.4	789.2	926.8	1,073.0	1,130.4
Other key figures					
Operating profit, %	9.1	3.0	10.0	7.6	8.3
Profit after financial items, %	8.6	2.0	8.9	6.3	7.1
Profit before appropriations and taxes, %	8.6	2.0	8.9	5.5	7.8
Return on Equity (ROE), %	13.6	0.3	11.8	8.2	12.8
Return on Investment (ROI), %	19.2	4.9	14.8	11.3	13.2
Solvency, %	62.4	59.8	58.9	49.8	48.3
Gearing, %	5	18	30	53	57
Net interest-bearing liabilities, MEUR	23.1	84.0	163.9	282.8	310.7
- % of net sales	2.2	8.2	14.4	23.7	22.9
Change in net sales, %	5.1	-10.2	-4.6	-12.0	0.7
Exports from Finland, MEUR	22.7	20.4	20.6	21.0	49.4
Net sales of foreign subsidiaries, MEUR	952.7	900.9	1,043.4	1,070.5	1,156.8
Total net sales of foreign operations, MEUR	957.5	903.4	1,047.6	1,075.1	1,188.1
Share of foreign operations, %	89.3	88.5	92.1	90.2	87.6
Personnel at 31 December	4,475	4,803	5,302	5,486	5,899
Average no. of personnel	4,684	4,962	5,393	5,723	6,513
Investments, MEUR	37.8	36.7	45.0	55.7	83.6
- % of net sales	3.5	3.6	4.0	4.7	6.2

Share-specific key figures

	2004	2003	2002	2001	2000
Share capital, MEUR	149.6	75.4	75.8	76.4	77.4
Number of shares at 31 December, in thousands	74,820	74,834	75,834	76,434	77,434
Number of shares adjusted for share issue, in thousands					
- at end of year	74,295	74,086	74,012	74,754	76,474
- average	74,243	73,807	74,538	75,658	77,042
Nominal value of shares, EUR	2.00	2.00	2.00	2.00	2.00
Adjusted equity, MEUR	421.7	470.9	545.5	534.0	544.5
Share trading, MEUR	676.6	280.8	270.0	184.4	203.4
Share trading, in thousands	49,724	27,912	27,022	21,242	21,720
- of average number of shares, %	67.0	37.8	36.3	28.1	28.2
Market value of share capital, MEUR	1,029.5	935.4	720.9	716.6	725.9
Adjusted earnings per share (fully diluted), EUR	0.82	0.02	0.86	0.58	0.87
Equity per share, EUR	5.68	6.34	7.29	7.03	7.02
Dividend, MEUR	2) 52,0	106.9	55.5	29,9	30.6
Dividend per share, EUR	2) 0,70	1) 1,44	0.75	0.40	0.40
Effective share yield, %	5.1	11.5	7.7	4.3	4.3
Dividend per earnings, %	85.4	7,200.0	87.2	69.6	46.0
P/E ratio	16.8	625.0	11.3	16.3	10.8
Issue-adjusted share prices, EUR					
- highest	15.00	13.01	12.43	9.65	10.50
- lowest	12.10	8.40	8.26	7.15	7.90
- average	13.61	10.06	9.99	8.68	9.37

The definitions of key ratios are shown on page 35.

Notes to the table:

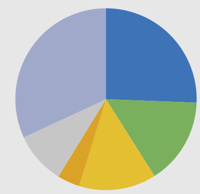
1) includes an extra dividend payment 0,44 euros per share
2) Proposal of the Board of Directors

Figures reported for 2000-2003 have been converted based on the bonus issue 2004
The bonus issue was executed by issuing one bonus share for each existing share without consideration
The average number of shares allows for the effect of treasury shares.

Share issues	2004	2003	2002	2001	2000
Directed issues, MEUR	1.1	-	-	-	-
- issue premium	8.0	-	-	-	-
Subscription price, EUR	8.27	-	-	-	-

Information on shareholders and shares

The volume of Uponor shares traded on the Helsinki Stock Exchange in 2004 totalled 49,723,549, valued at EUR 676.6 million. The share closed at EUR 13.76 and the market capitalisation came to EUR 1,029.5 million. The year-end number of shareholders totalled 5,225, of which foreign shareholders accounted for 31.9 per cent (30.0 per cent).



	%
Private non-financial corporations	25.6
Financial and insurance corporations	15.4
General government	13.8
Non-profit institutions	4.0
Households	9.3
Foreign (including nominee registrations)	31.9

Shareholders by category on 31 December 2004

Category	No. of shares	% of shares
Private non-financial corporations	19,187,946	25.6
Public non-financial corporations	8,080	0.0
Financial and insurance corporations	11,566,902	15.4
General government	10,303,466	13.8
Non-profit institutions	2,963,774	4.0
Households	6,936,911	9.3
Foreign (including nominee registrations)	23,852,447	31.9
Other (joint account)	918	0.0
	74,820,444	100.0

Shareholders by size of holding on 31 December 2004

Shares per shareholder	No. of shares, total	% of share capital	No. of shareholders	% of shareholders
1 - 100	29,374	0.0	423	8.0
101 - 1,000	1,484,036	2.0	3,215	61.2
1,001 - 10,000	4,172,870	5.6	1,377	26.2
10,001 - 100,000	5,301,906	7.1	190	3.6
100,001 - 1,000,000	11,998,593	16.0	40	0.8
1,000,001 -	51,833,665	69.3	10	0.2
	74,820,444	100.0	5,255	100.0

Share capital development 1999 - 2004

	Year	DateReason	Change, euro	Share capital, euro	Number of shares
2004	31 Dec.			149,640,888	74,820,444
	19 Nov.	Increase (bonus issue 1:1)	74,820,444	149,640,888	74,820,444
	23 Sept.	Increase (stock option rights)	348,000	74,820,444	37,410,222
	28 April	Increase (stock option rights)	216,000	74,472,444	37,236,222
	22 March	Reduction (invalidation of own shares)	1,120,000	74,256,444	37,128,222
	19 Jan.	Increase (stock option rights)	542,000	75,376,444	37,688,222
2003	31 Dec.			74,834,444	37,417,222
	21 Mar.	Reduction (invalidation of own shares)	1,000,000	74,834,444	37,417,222
2002	31 Dec.			75,834,444	37,917,222
	18 Mar.	Reduction (invalidation of own shares)	600,000	75,834,444	37,917,222
2001	31 Dec.			76,434,444	38,217,222
	15 Mar.	Reduction (invalidation of own shares)	1,000,000	76,434,444	38,217,222
2000	31 Dec.			77,434,444	38,717,222
1999	31 Dec.			77,434,444	38,717,222
	25 Aug.	Increase (bond with warrants)	33,000	77,434,444	38,717,222
	7 Jul.	Increase (bond with warrants)	154,000	77,401,444	38,700,722
	9 Jun.	Increase (bond with warrants)	426,250	77,247,444	38,623,722
	7 Apr.	Increase (bond with warrants)	27,500	76,821,194	38,410,597
	20 Mar.	Increase (conversion of nominal value)	12,214,833	76,793,694	38,396,847
			Change, FIM	**Share capital, FIM**	**Number of shares**
	19 Mar.	Reduction (invalidation of own shares)	5,000,000	383,968,470	38,396,847
	8 Jan.	Increase (bond with warrants)	371,250	388,968,470	38,896,847
1998	31 Dec.			388,597,220	38,859,722

Major shareholders on 31 December 2004

Shareholder	Shares	% of shares	% of votes
Oras Adminstration Ltd (renamed to Oras Invest Ltd)	14,354,980	19.2	19.3
Oras Ltd	2,116,800	2.8	2.8
Sampo Life Insurance Company	5,609,970	7.5	7.6
Kaleva Mutual Insurance Company	320,000	0.4	0.4
Varma Mutual Pension Insurance Company	4,013,104	5.4	5.4
Ilmarinen Mutual Pension Insurance Company	1,904,036	2.5	2.6
Tapiola Mutual Pension Insurance Company	1,436,800	1.9	1.9
Tapiola General Mutual Insurance Company	745,000	1.0	1.0
Tapiola Mutual Life Insurance Company	406,600	0.5	0.5
Tapiola Corporate Life Insurance Company Ltd	172,400	0.2	0.2
State Pension Fund	1,000,000	1.3	1.3
Odin Forvaltning AS	766,800	1.0	1.0
Odin Finland	259,400	0.3	0.3
Nordea Life Insurance Finland Ltd	570,700	0.8	0.8
Fennia Life Insurance Company	490,000	0.7	0.7
Fennia Mutual Pension Insurance Company	228,806	0.3	0.3
Finnish Cultural Foundation	480,670	0.6	0.6
Others	39,419,378	52.9	53.1
	74,295,444	99.3	100.0
Own shares held by the company	525,000	0.7	-
Total	74,820,444	100.0	100.0

Nominee registered shares on 31 December 2004

Nordea Bank Finland Plc	17,372,103	23.2	23.4
Svenska Handelsbanken AB (publ.)	3,409,381	4.6	4.6
HSS/Skandinaviska Enskilda Banken AB (publ.)	1,616,491	2.2	2.2
Others	240,020	0.3	0.3
	22,637,995	30.3	30.5

Currently valid foreign notifications:
16 Mar 2004 Grantham, Mayo, Van Otterloo & Co. LLC, holding exceeded 5 %
5 Feb 2002 The Capital Group Companies, Inc., holding exceeded 5 %

The maximum number of votes which may be cast at the Annual General Meeting is 74,820,444 (status on 31 December 2004). At the end of the financial period the company held a total of 525,000 own shares corresponding to the same number of votes. These shares do not entitle to vote in the Annual General Meeting.

Accounting principles

The consolidated financial statements of Uponor Corporation are prepared in accordance with the Finnish accounting principles, which are based on the fourth and seventh directives of the European Community.

Method of compiling the consolidated financial statements

The consolidated financial statements include the parent company and all companies in which the parent company holds more than half of the voting rights, either directly or through its subsidiaries. Subsidiaries acquired or established during the year have been included as of the time of acquisition or establishment. Divested companies are included up to the time of divestment.

Transactions between Group companies have been eliminated. Reciprocal shareholdings have been eliminated by the acquisition cost method. The difference between the acquisition price of shares in a subsidiary and the net assets of subsidiaries at the time of acquisition is shown as a difference on consolidation, part of which is allocated to the fixed assets acquired if their current value substantially exceeds their book value, while the remaining, unallocated portion is shown as consolidation goodwill depreciating over an estimated effective period not exceeding 20 years. The share of minority holdings in earnings and shareholders' equity is shown as a separate item.

Associated companies are those in which the Group has a stake of 20–50 per cent and where it exercises influence. These have been included in the consolidated accounts using the capital share method. The share of earnings of associated companies for the accounting period is reckoned according to the stake held by the Group and shown separately in the income statement. Essential differences in accounting conventions between the Uponor Group and the associated companies are eliminated before combination using the capital share method.

Currency denominated items

Each company converts daily currency denominated transactions in its own accounts using the current exchange rates on the day of the transaction. Currency denominated receivables and liabilities are converted in the financial statements using the current exchange rate at the end of the accounting period. Exchange rate differentials pertaining to normal business are processed as sale and purchase corrections and those pertaining to financing are shown as finance exchange rate differentials.

Receivables and liabilities protected by derivative instruments are shown in the balance sheet at the agreed rate of exchange.

In the consolidated financial statements the income statements of foreign subsidiaries have been converted into Finnish marks at the average rate of exchange for the accounting period, while the balance sheet is based on the current exchange rate at the end of the accounting period. Any conversion differential arising from this, and other conversion differentials due to changes in subsidiary shareholders' equity are shown as an increase or reduction in unrestricted shareholders' equity. In addition to this, exchange rate differentials relating to parent company loans to foreign subsidiaries, which compensate shareholders' equity, have been treated as conversion differentials in the consolidated accounts. Conversion differentials realised in connection with substantial returns of capital are released to income in the exchange rate differentials of the income statement.

Net sales

Net sales comprise sales of products and services supplied, minus indirect taxes, allowed discounts and exchange rate differentials.

Extraordinary income and expenses

Extraordinary income and expenses comprise items, which are exceptional from the point of view of regular business operations and which relate to one-time significant transactions. Items derived from changes in accounting conventions are shown as extraordinary income or expenses.

Characteristically recurrent income and expenses pertaining to business operations, e.g. profits and losses incurred on sales of current assets, are included in other income of business operations.

Tax

The taxes in the consolidated financial statements include direct taxes based on the taxable earnings of each company, reckoned according to local tax regulations, together with the change in deferred tax receivables or liabilities arising from temporary differences. In addition to this, the change in deferred tax receivables or liabilities arising from consolidation elimination is shown in the taxes of the consolidated income statement. The accrued adjustments in the consolidated financial statements are divided between deferred tax liability and shareholders' equity.

Pension arrangements

All expenses incurred in pension benefits are recorded as expenses in the period during which the corresponding work was performed. The pension arrangements of companies in the Group comply with local regulations and practices in various countries. The sums concerned are based on actuarial valuations or on the direct debits of insurance companies.

Fixed assets and depreciation

Fixed assets are shown in the balance sheet at residual value according to plan. This residual value is reckoned by deducting cumulative depreciation from the original acquisition cost.

Depreciation of fixed assets according to plan has been calculated on the basis of the acquisition cost and estimated economic life span as follows:

Buildings	20	–	40 years
Machinery and equipment (*	10 years		
Office and shop furniture and fittings	5	–	10 years
Transport equipment	5	–	7 years
Capitalised expenditure	5	–	10 years
Goodwill	5	–	10 years
Consolidation goodwill	10	–	20 years

*) Depreciation time for the production machineries and equipment acquired before 2004 will remain 5 – 15 years.

Current assets

Current assets are valued according to the FIFO principle at the deferred acquisition cost or probable sale price, whichever is the lower. The probable sale price of commodity current assets is the price received at the time of sale minus sales expenses. The acquisition cost of finished products and goods in process includes a share of indirect manufacturing costs.

Provisions

Provisions on the balance sheet comprise those expenses to which a commitment has been made but which have not yet been realised, such as pension and environmental liabilities and the costs of business closures and restructuring. Changes in provisions are shown in the profit and loss account under the appropriate expense item.

Cash flow statement

The change in working capital and changes in balance sheet items pertaining to financing activities are reckoned in the Group cash flow statement at annual average exchange rates and include only the companies within the Group at the end of the year.

Derivative instruments

The companies in the Group employ derivative instruments to reduce interest rate, exchange rate, and raw material price risks. The Group does not speculate in derivative instrument trading. The premiums for options purchased and sold for financing purposes are recorded under the financing expenses category of the income statement during their period of validity.

Treasury shares

The parent company held some of its own shares during the year under review and the preceding year. These shares have been eliminated from the shareholders' equity of the parent company and of the Group and have no balance sheet value. Treasury shares have been eliminated from the calculation of key figures.

Income statement

	Note	Uponor Group 2004	Uponor Group 2003	Uponor Corporation 2004	Uponor Corporation 2003
Net sales		1,072.8	1,021.0	1.9	2.3
Cost of goods sold		732.8	740.0	1.0	1.2
Gross profit		**340.0**	**281.0**	**0.9**	**1.1**
Marketing costs		163.8	168.9	-	-
Administration costs		55.5	58.0	11.5	7.3
Other operating income	**1.1.**	3.6	6.8	5.5	1.1
Other operating costs		16.0	16.0	3.5	8.4
Depreciation of group goodwill		10.4	14.2	-	-
Expenses		**242.1**	**250.3**	**9.5**	**14.6**
Operating profit		**97.9**	**30.7**	**-8.6**	**-13.5**
Financial expenses and income	**1.5.**	-5.6	-9.9	32.2	30.4
Profit before extraordinary items		**92.3**	**20.8**	**23.6**	**16.9**
Extraordinary items	**1.6.**	-	-	13.5	22.0
Profit before appropriations and taxes		**92.3**	**20.8**	**37.1**	**38.9**
Appropriations				2.8	0.3
Income taxes	**1.7.**	31.4	19.2	1.1	4.8
Minority share		-	-	-	-
Profit for the period		**60.9**	**1.6**	**38.8**	**34.4**

Balance sheet

	Note	Uponor Group 31/12/2004	Uponor Group 31/12/2003	Uponor Corporation 31/12/2004	Uponor Corporation 31/12/2003
Assets					
Fixed assets					
Intangible assets					
Intangible rights		5.4	6.4	-	-
Goodwill		2.3	2.7	-	-
Consolidation goodwill		64.6	75.9	-	-
Other capitalised long-term expenditure		0.3	0.4	0.5	0.6
Intangible assets	**2.1.**	**72.6**	**85.4**	**0.5**	**0.6**
Tangible assets					
Land and water areas		19.6	46.4	-	2.1
Buildings and structures		93.5	164.6	-	9.9
Plant and machinery		104.9	120.6	0.2	0.7
Other tangible assets		4.5	5.8	-	-
Advance payments and investment in progress		13.2	11.8	-	-
Tangible assets	**2.1.**	**235.7**	**349.2**	**0.2**	**12.7**
Securities and long-term investments					
Shares in subsidiaries	**3.1.**	-	-	206.8	296.3
Shares in associated companies	**3.2.**	-	2.0	-	-
Other shares and holdings		0.6	8.9	0.5	3.7
Other investments		20.4	3.5	191.3	225.3
Securities and long-term investments	**2.1., 2.2.**	**21.0**	**14.4**	**398.6**	**525.3**
Total fixed assets		**329.3**	**449.0**	**399.3**	**538.6**
Current assets					
Inventories					
Raw materials and consumables		24.8	23.7	-	-
Work in progress		-	-	-	-
Finished products / goods		111.2	109.7	-	-
Advance payments		2.0	2.1	-	-
Inventories		**138.0**	**135.5**	-	**-**
Accounts receivables					
Trade receivables		130.3	134.5	2.1	0.7
Loan receivables		4.7	0.9	53.8	18.0
Accruals	**2.4.**	24.6	28.1	1.2	3.1
Deferred tax assets	**2.14.**	13.1	18.0	0.4	0.1
Other receivables		8.9	6.3	41.0	39.9
Accounts receivables	**2.3.**	**181.6**	**187.8**	**98.5**	**61.8**
Liquid assets					
Cash in hand and at bank		29.5	16.9	17.1	8.0
Liquid assets		**29.5**	**16.9**	**17.1**	**8.0**
Total current assets		**349.1**	**340.2**	**115.6**	**69.8**
Total assets		**678.4**	**789.2**	**514.9**	**608.4**

	Note	Uponor Group 31/12/2004	Uponor Group 31/12/2003	Uponor Corporation 31/12/2004	Uponor Corporation 31/12/2003
Liabilities and shareholders' equity					
Shareholders' equity					
Restricted equity					
Share capital		149.6	74.8	149.6	74.8
Share issue		-	4.5	-	4.5
Other restricted equity		40.9	107.6	46.9	112.6
Restricted equity		**190.5**	**186.9**	**196.5**	**191.9**
Unrestricted equity					
Retained earnings		170.3	281.5	207.4	285.3
Profit for the period		60.9	1.6	38.8	34.4
Unrestricted equity		**231.2**	**283.1**	**246.2**	**319.7**
Total shareholders' equity	**2.5.**	**421.7**	**470.0**	**442.7**	**511.6**
Minority interest		**-**	**0.9**	**-**	**-**
Accumulated appropriations	**2.6.**	**-**	**-**	**0.3**	**3.1**
Obligatory provisions		**11.9**	**31.4**	**1.5**	**0.5**
Liabilities					
Long-term liabilities					
Bonds		-	26.0	-	26.0
Loans from financial institutions		6.6	20.1	-	-
Loans from pension funds		5.8	13.3	-	7.8
Other long-term liabilities		10.1	0.3	-	-
Long-term liabilities	**2.7., 2.8.**	**22.5**	**59.7**	**-**	**33.8**
Deferred tax liability	**2.14.**	**26.0**	**33.9**	**-**	**-**
Short-term liabilities					
Annual loan instalments		22.5	1.9	22.0	1.0
Advances received		2.5	2.7	-	-
Trade payables		73.0	69.4	2.0	0.6
Accruals	**2.10.**	77.7	75.7	3.2	3.4
Other short-term liabilities		20.6	43.6	43.2	54.3
Short-term liabilities	**2.9.**	**196.3**	**193.3**	**70.4**	**59.3**
Total liabilities		**244.8**	**286.9**	**70.4**	**93.1**
Total liabilities and shareholders equity		**678.4**	**789.2**	**514.9**	**608.4**

Cash flow statement

	Uponor Group		Uponor Corporation	
	1 Jan - 31 Dec 2004	1 Jan - 31 Dec 2003	1 Jan - 31 Dec 2004	1 Jan - 31 Dec 2003
	MEUR		MEUR	
Cash flow from operations				
Net cash from operations				
Profit for the period	60.9	1.6	38.8	34.4
Depreciation	58.4	87.1	0.8	1.0
Sales gains from the sale of fixed assets	-3.6	-7.2	-3.6	-1.1
Cash flow adjustment items	0.4	18.8	-1.8	-0.3
Group contributions	-	-	-13.5	-22.0
Net cash from operations	**116.1**	**100.3**	**20.7**	**12.0**
Change in working capital				
Receivables	6.2	15.1	-18.7	19.5
Inventories	-2.5	31.9	-	-
Non-interest-bearing liabilities	-6.4	0.7	1.2	0.6
Change in working capital	**-2.7**	**47.7**	**-17.5**	**20.1**
Cash flow from operations	**113.4**	**148.0**	**3.2**	**32.1**
Cash flow from investments				
Share acquisitions	-	-	-11.9	-
Share divestments	86.3	20.8	84.9	
Investment in fixed assets	-37.8	-36.7	-0.2	-0.5
Income from sales of fixed assets	27.9	14.7	16.7	3.0
Cash flow from investments	**76.4**	**-1.2**	**89.5**	**2.5**
Cash flow before financing	**189.8**	**146.8**	**92.7**	**34.6**
Cash flow from financing				
Change in long-term receivables	-20.3	-2.3	34.0	16.5
Change in long-term liabilities	-27.2	-40.1	-33.8	-21.0
Change in short-term liabilities	-22.6	-38.7	9.9	11.1
Share issue	4.6	4.5	4.6	4.5
Dividend payments	-106.9	-55.5	-106.9	-55.5
Cash flow from treasury shares	-4.9	-4.6	-4.9	-4.6
Group contributions	-	-	13.5	22.0
Cash flow from financing	**-177.3**	**-136.7**	**-83.6**	**-27.0**
Exchange rate differences for liquid assets	**0.1**	**0.5**	**-**	**-**
Change in liquid assets	**12.6**	**10.6**	**9.1**	**7.6**
Liquid assets at 1 January	16.9	6.3	8.0	0.4
Liquid assets at 31 December	29.5	16.9	17.1	8.0
Changes according to balance sheet	**12.6**	**10.6**	**9.1**	**7.6**
	-		0.0	

1. Notes to the income statement

	Uponor Group 2004	Uponor Group 2003	Uponor Corporation 2004	Uponor Corporation 2003
1.1. Other operating income				
Gains from sales of fixed assets	3.6	7.2	3.6	1.1
Earnings share from associated companies	-	-0.4	-	-
Other income	-	-	1.9	-
	3.6	**6.8**	**5.5**	**1.1**
1.2. Personnel costs				
Salaries and fringe benefits	172.8	166.1	3.7	2.0
Pension expenses	8.7	9.3	0.3	0.1
Other personnel costs	36.3	35.9	0.3	0.1
	217.8	**211.3**	**4.3**	**2.2**
Salaries and emoluments paid to the Managing Directors and Board members				
Salaries and emoluments	4.8	4.5	0.6	0.6
Bonus payments	0.8	0.9	0.2	0.1
	5.6	**5.4**	**0.8**	**0.7**
1.3. Depreciation according to plan				
Intangible rights	1.9	2.4	-	-
Goodwill	0.5	0.6	-	-
Consolidation goodwill	10.4	14.2	-	-
Other capitalised long-term expenditure	0.1	0.1	0.2	0.3
Land and water areas	0.2	0.7	-	-
Buildings and structures	12.3	21.3	0.4	0.5
Plant and machinery	31.3	44.9	0.2	0.2
Other tangible assets	1.7	2.9	-	-
	58.4	**87.1**	**0.8**	**1.0**
1.4. Depreciation by operation				
Manufacturing	38.7	61.5	0.4	0.5
Sales and marketing	5.5	6.1	-	-
Administration	2.8	4.2	0.4	0.5
Other	1.0	1.1	-	-
Consolidation goodwill	10.4	14.2	-	-
	58.4	**87.1**	**0.8**	**1.0**

1.5. Financial income and expenses

Dividend income				
- Subsidiaries	-	-	25.4	28.3
- Others	0.9	0.9	1.3	1.3
Interest and financial income				
- Subsidiaries	-	-	11.5	12.9
- Associated companies	-	0.5	-	-
- Others	1.9	1.6	0.9	1.1
	2.8	**3.0**	**39.1**	**43.6**
Interest and financial costs				
- Subsidiaries	-	-	1.6	1.4
- Others	8.8	11.0	5.3	6.2
Exchange differences				
- Realised	0.6	-1.6	0.6	-0.5
- Unrealised	-0.2	-0.3	-0.6	-5.0
	8.4	**12.9**	**6.9**	**13.1**
Net financial costs	**-5.6**	**-9.9**	**32.2**	**30.5**

1.6. Extraordinary income

Group contributions	-	-	13.5	22.0
	-	**-**	**13.5**	**22.0**

1.7. Taxes

For the financial period	30.9	22.3	1.4	4.8
For previous financial periods	0.1	0.1	-	-
Change in deferred taxation	0.4	-3.2	-0.3	-
	31.4	**19.2**	**1.1**	**4.8**

2. Notes to the balance sheet

2.1. Fixed assets

Uponor Corporation	Intangible rights	Other capitalised long-term expenditure	Land and water areas	Buildings and structures	Plant and machinery	Other tangible assets	Advance payments and investment in progress	Securities and long-term investments
Acquisition costs 1 Jan	0.2	4.4	1.7	27.7	8.3	2.0	-	300.0
Increases	-	0.1	-	-	0.1	-	-	11.9
Decreases	-	-0.1	-1.7	-9.4	-0.3	-	-	-104.6
Acquisition costs 31 Dec	0.2	4.4	-	18.3	8.1	2.0	-	207.3
Accrued depreciation and value adjustments	0.2	3.7	-	17.9	7.7	2.0		
Depreciation for the financial period	-	0.2	-	0.4	0.2	-		
Accrued depreciation	0.2	3.9	-	18.3	7.9	2.0	-	-
Revaluations	-	-	-	-	-	-	-	-
Book value	**-**	**0.5**	**-**	**-**	**0.2**	**-**	**-**	**207.3**

Uponor Group	Intangible rights	Goodwill	Consolidation goodwill	Other capitalised long-term expenditure	**Intangible assets**	Shares in associated companies	Other shares and holdings
Acquisition costs 1 Jan	36.5	22.7	151.8	3.8	**214.8**	2.0	8.9
Structural changes	-0.7	-0.3	0.0	-0.1	**-1.1**	-2.0	-4.2
Conversion difference	-0.1	-0.1	0.0	0.0	**-0.2**	-	-
Increases	1.4	0.1	0.0	0.1	**1.6**	-	0.5
Decreases	4.0	1.9	3.4	0.0	**9.3**	-	4.6
Transfers between items	-0.2	0.0	0.0	-0.1	**-0.3**	-	-
Acquisition costs 31 Dec	32.9	20.5	148.4	3.7	**205.5**	-	0.6
Accrued depreciation and value adjustments	29.4	19.8	75.9	3.4	**128.5**	-	-
Structural changes	0.0	-0.1	0.0	-0.1	**-0.2**		
Conversion difference	-0.1	-0.1	0.0	0.0	**-0.2**		
Accrued depreciation of decreases and transfers	-3.7	-1.9	-2.5	0.0	**-8.1**	-	-
Depreciation for the financial period	1.9	0.5	10.4	0.1	**12.9**	-	-
Accrued depreciation	27.5	18.2	83.8	3.4	**132.9**	-	-
Book value	**5.4**	**2.3**	**64.6**	**0.3**	**72.6**	**-**	**0.6**

	Land and water areas	Buildings and structures	Plant and machinery	Other tangible assets	Advance payments and investment in progress	**Tangible assets**
Acquisition costs 1 Jan	43.5	257.5	480.5	29.5	11.8	**822.8**
Structural changes	-9.2	-52.6	-5.6	-0.1	-0.6	**-68.1**
Conversion difference	0.0	0.5	-1.9	-0.4	-0.2	**-2.0**
Increases	0.2	3.8	26.8	1.2	3.4	**35.4**
Decreases	4.9	39.2	53.8	3.2	0.3	**101.4**
Transfers between items	-6.6	6.0	-2.2	-0.5	-0.7	**-4.0**
Acquisition costs 31 Dec	23.0	176.0	443.8	26.5	13.4	682.7
Accrued depreciation and value adjustments	5.0	100.7	358.7	23.2	0.2	**487.8**
Structural changes	-	-6.0	1.7	0.1	-	**-4.2**
Conversion difference	-0.1	0.1	-1.7	-0.4	-	**-2.1**
Accrued depreciation of decreases and transfers	-1.7	-24.5	-50.1	-2.6	-	**-78.9**
Depreciation for the financial period	0.2	12.3	31.3	1.7	-	**45.5**
Accrued depreciation	3.4	82.6	339.9	22.0	0.2	**448.1**
Revaluations	-	0.1	1.0	-	-	**1.1**
Book value	**19.6**	**93.5**	**104.9**	**4.5**	**13.2**	**235.7**
Balance sheet value of production plant and machinery			94.4			

	Uponor Group		**Uponor Corporation**	
	2004	**2003**	**2004**	**2003**
2.2. Long-term investments				
Loans receivables				
- Subsidiaries	-	-	172.8	224.6
- Associated companies	-	-	-	-
- Others	20.4	0.6	18.5	0.7
	20.4	**0.6**	**191.3**	**225.3**

	Subsidiaries		**Associated companies**	
	2004	**2003**	**2004**	**2003**
2.3. Receivables from subsidiaries and associated companies				
Uponor Corporation				
Loan receivables	226.6	242.6	-	-
Accruals	0.1	0.1	-	-
Other receivables	41.0	39.4	-	-
	267.7	**282.1**	**-**	**-**

No loans have been issued to management or shareholders, nor have guarantees been issued or securities lodged on their behalf.

	Uponor Group		Uponor Corporation	
	2004	**2003**	**2004**	**2003**
2.4. Accrued income				
Taxes	13.8	14.2	1.0	2.1
Discounts received	4.6	4.6	-	-
Transaction proceeds and compensation	-	-	-	-
Interest	0.4	1.0	0.3	0.9
Other	5.8	8.3	0.2	0.1
	24.6	**28.1**	**1.5**	**3.1**
2.5. Changes in shareholders' equity				
Restricted shareholders' equity				
Share capital on 1 January	74.8	75.8	74.8	75.8
Subscription issue	1.1	-	1.1	-
Bonus issue	74.8	-	74.8	-
Cancelling of shares	-1.1	-1.0	-1.1	-1.0
Share capital on 31 December	**149.6**	**74.8**	**149.6**	**74.8**
Capital reserve on 1 January			112.6	111.6
Issue premium			8.0	-
Bonus issue			-74.8	-
Cancelling of shares			1.1	1.0
Premium on shares issued, 31 December			**46.9**	**112.6**
Revaluation reserve on 1 January			-	0.2
Decrease			-	0.2
Revaluation reserve on 31 December			**-**	**0.0**
Share issue			**-**	**4.5**
Non-restricted shareholders' equity on 1 January			319.7	345.4
Dividend payments			-106.9	-55.5
Cancellation of revaluations			-0.5	-
Treasury shares			-4.9	-4.6
Profit for financial period			38.8	34.4
Non-restricted shareholders' equity on 31 December			**246.2**	**319.7**
Other restricted shareholders' equity on 1 January	112.1	103.4		
Issue premium	8.0	-		
Share issue	-4.5	4.5		
Reduction of share capital	1.1	-		
Changes in revaluation reserve	-	-1.3		
Transfer from non-restricted shareholders' equity	-1.0	4.5		
Transfer from share capital	-	1.0		
Bonus issue	-74.8	-		
Other restricted shareholders' equity on 31 December	**40.9**	**112.1**		
Non-restricted shareholders' equity on 1 January	283.1	360.9		
Dividend payments	-106.9	-55.5		
Conversion differences	-1.5	-14.9		
Transfer to restricted shareholders' equity	1.0	-4.5		
Cancellation of revaluations	-0.5	-		
Treasury shares	-4.9	-4.5		
Profit for financial period	60.9	1.6		
Non-restricted shareholders' equity on 31 December	**231.2**	**283.1**		
Of which not distributable in dividends	**28.9**	**42.9**		

2.6. Accumulated appropriations

- Intangible assets			0.1	0.1
- Buildings and structures			-	2.6
- Plant and machinery			0.2	0.4
			0.3	**3.1**

2.7. Loans

Falling due in following financial period				
- Bonds	22.0	-	22.0	-
- Loans from financial institutions	0.5	0.9	-	-
- Pension loans	-	1.0	-	1.0
- Other loans	-	0.2	-	-
	22.5	**2.1**	**22.0**	**1.0**

2.8. Long-term loans

Due in five years				
- Loans from financial institutions	-	1.8	-	-
- Pension loans	5.8	10.0	-	3.7
	5.8	**11.8**	**-**	**3.7**

Serial bond I/2001 — First tranche EUR 26 million
Serial bond not exceeding EUR 100 million — Loan amount 31.12.2004: EUR 22 million
Nominal annual interest 6.25 % — Issue price 99.937
Term: 20 November 2001 to 20 November 2005
The loan is unsecured.
Redemption in full on 20 November 2005

	Subsidiaries		**Associated companies**	
	2004	**2003**	**2004**	**2003**
2.9. Liabilities to subsidiaries and associated companies				
Uponor Corporation				
Trade payables	0.3	0.4	-	-
Other short-term liabilities	41.4	32.7	-	-
	41.7	**33.1**		

	Uponor Group		**Uponor Corporation**	
	2004	**2003**	**2004**	**2003**
2.10. Accrued liabilities				
Staff costs	23.9	23.6	0.6	0.5
Taxes	20.4	13.6	0.7	1.8
Discounts	7.5	7.2	-	-
Interest	0.5	0.4	0.5	0.8
Others	25.4	30.9	1.4	0.3
	77.7	**75.7**	**3.2**	**3.4**

2.11. Secured loans

Pledged assets	0.6	0.7	-	-
Mortgages	3.4	9.1	-	-
	4.0	**9.8**		

2.12. Exchange and interest rate risk management

Derivatives contracts

Interest derivatives				
Interest rate options, bought	45.0	96.7	45.0	96.7
Interest rate options, sold	45.0	120.4	45.0	120.4
Interest rate swaps	-	10.0	-	10.0
Foreign currency derivatives				
Forward agreements	7.7	12.4	7.7	12.4
Currency swaps	-	-	-	-
Commodity derivatives				
Forward agreements	2.1	1.7	-	-

2.13. Contingent liabilities

Pledges at book value				
- on own behalf	0.6	0.7	-	-
Mortgages issued				
- on own behalf	3.4	9.2	-	-
Guarantees issued				
- on behalf of a subsidiary	-	-	23.9	39.8
- on behalf of an associated company	-	9.3	-	-
- on behalf of others	13.1	3.2	10.6	9.3
Other contingent liabilities	12.5	8.8	-	-

Letter of Comfort commitments undertaken on behalf of subsidiaries are not included in the above figures.

Leasing and renting liabilities

Maturing in the following year	9.8	7.7	0.4	0.2
Maturing later	40.5	50.1	2.2	1.6
	50.3	**57.8**	**2.6**	**1.8**

2.14. Deferred tax liabilities and assets

Deferred tax assets		
- Consolidation procedures	1.3	0.0
- Consolidated companies	11.8	18.0
	13.1	**18.0**
Deferred tax liabilities		
- Appropriations	11.8	17.8
- Consolidation procedures	1.6	-
- Consolidated companies	12.6	16.1
	26.0	**33.9**
	12.9	**15.9**

3. Shares and holdings

3.1. Subsidiaries

Name	Domicile and country		Parent company stake	Group stake
Uponor Aldyl S.A.	Buenos Aires	AR	100.0	100.0
130167 Canada Inc.	Montreal	CA	100.0	100.0
Uponor Beteiligungs GmbH	Haßfurt	DE	100.0	100.0
Uponor Müanyag Csörendszer Kft. i.v.L.	Budapest	HU		100.0
Uponor Polska Sp. z o.o.	Sochaczew	PL		100.0
Uponor Bor Sp. z o.o.	Sochaczew	PL		100.0
Uponor Resiplast, S.A.	Barcelona	ES		100.0
Uponor Hispania, S.A.U.	Móstoles	ES		100.0
Uponor Czech s.r.o.	Prague	CZ		100.0
Uponor (Deutschland) GmbH	Haßfurt	DE		100.0
Uponor Anger GmbH	Marl	DE		100.0
Uponor Abwassertechnik GmbH i.L.	Emstek	DE		75.5
Uponor Klärtechnik GmbH	Marl	DE		100.0
Hewing GmbH	Ochtrup	DE		100.0
Cronatherm Verwaltungsgesellschaft mbH	Buchholz-Mendt	DE		100.0
Cronatherm GmbH & Co. KG	Buchholz-Mendt	DE		100.0
WIRSBO Pex GmbH	Maintal	DE		100.0
Uponor-Velta Verwaltungs GmbH	Norderstedt	DE		100.0
Uponor-Velta GmbH & Co. KG	Norderstedt	DE		100.0
Polytherm Vertriebs GmbH	Ochtrup	DE		100.0
Uponor S.A.R.L.	Saran	FR		100.0
Uponor Rohrsysteme GmbH	Haßfurt	DE		100.0
PR Consulting & Marketing GmbH	Haßfurt	DE		100.0
Unicor GmbH Rahn Plastmaschinen	Haßfurt	DE		100.0
Unicor Extrusionstechnik GmbH	Zella-Mehlis	DE		100.0
Sörberg GmbH & Co. KG	Haßfurt	DE		100.0
Uponor A/S	Hadsund	DK	100.0	100.0
Uponor Eesti Oü	Tallinn	EE	100.0	100.0
Jita Oy	Virrat	FI	100.0	100.0
Nereus Oy	Uusikaupunki	FI	100.0	100.0
Uponor Business Solutions Oy	Vantaa	FI		100.0
Uponor Suomi Oy	Nastola	FI	100.0	100.0
Uponor Holding S.A.	Lyon	FR	100.0	100.0
Uponor France S.A.	St. Etienne de St. Geoirs	FR		100.0
S.C.I. Village les Apprets	St. Etienne de St. Geoirs	FR		100.0
Uponor Limited	Bishopstown	IE	100.0	100.0
Uponor (Cork) Limited	Bishopstown	IE		100.0
Uponor S.r.l.	Badia Polesine	IT	100.0	100.0
Uponor Latvia SIA	Riga	LV	100.0	100.0
Uponor UAB	Vilnius	LT	100.0	100.0
Uponor B.V.	Amsterdam	NL	100.0	100.0
Asko Norge AS	Oslo	NO	100.0	100.0
Uponor AS	Vestby	NO	100.0	100.0
Uponor Portugal, Lda.	Vila Nova de Gaia	PT	100.0	100.0
Uponor Construcão e Ambiente, S.A.	Vila Nova de Gaia	PT		100.0
ZAO Uponor Rus	St. Petersburg	RU	100.0	100.0
Asko i Fristad AB	Borås	SE	100.0	100.0
KB Sekanten	Borås	SE		100.0
Sörberg Produktion AB	Kungsör	SE	100.0	100.0
Uponor AB	Fristad	SE	100.0	100.0
Uponor Innovation AB	Fristad	SE	100.0	100.0

Name	Domicile and country		Parent company stake	Group stake
Uponor Wirsbo AB	Virsbo	SE	100.0	100.0
Uponor Wirsbo A/S	Glostrup	DK		100.0
Uponor Wirsbo AS	Vestby	NO		100.0
Uponor Magyarország Kft.	Budapest	HU		100.0
WA Vertriebs GmbH	Guntramsdorf	AT		100.0
Uponor Limited	England	UK	100.0	100.0
nrg2 Limited	England	UK		100.0
Uponor Aldyl Limited	England	UK		100.0
Uponor Housing Solutions Limited	England and Wales	UK		100.0
Radius Plastics Limited	Northern Ireland	UK		100.0
Uponor North America, Inc.	Delaware	US	100.0	100.0
Hot Water Systems North America, Inc.	Delaware	US		100.0
Uponor Wirsbo, Inc.	Illinois	US		100.0
Uponor Canada Inc.	Regina	CA		100.0
Radiant Technology, Inc.	New York	US		100.0
Unicor Pipe Systems Ltd. i.L.	Toronto	CA		100.0
Tulsa Pipe Plant, Inc.	Delaware	US		100.0

3.2. Associated companies

Name	Domicile and country		Parent company stake	Group stake
Punitec GmbH & Co. KG	Gochsheim	DE		45.0
Punitec Verwaltungs GmbH	Gochsheim	DE		45.0

Proposal of the Board of Directors

According to the balance sheet as of 31 December 2004, Group profits amount to EUR 231,169,000, of which EUR 202,221,000 may be distributed. The distributable profit of Uponor Corporation is EUR 246,163,074.77.

The Board of Directors proposes that a dividend of EUR 0.70 per share be paid on the 2004 accounting period.

Vantaa, 2 February 2005

Pekka Paasikivi
Chairman

Matti Niemi

Aimo Rajahalme

Anne-Christine Silfverstolpe Nordin

Rainer S. Simon

Jan Lång
Managing director

Auditor's report

To the shareholders of Uponor Corporation

We have audited the accounting, the financial statements and the administration of Uponor Corporation for the financial period 1 January – 31 December 2004. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on administration.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of administration is to examine that the Board of Directors and the Managing Director have complied with the rules of the Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations, as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the financial period audited by us. The proposal made by the Board of Directors on how to deal with the distributable funds is in compliance with the Companies Act.

Vantaa, 2 February 2005

KPMG OY AB

Sixten Nyman
Authorized Public Accountant

Adoption of IFRS

Before adopting IFRS (International Financial Reporting Standards) in its financial reporting on 1 January 2005, Uponor applied the Finnish Accounting Standards (FAS) in its annual and interim reports.

The company will prepare its first interim report for the first quarter of 2005, applying IAS 34 governing interim financial reporting. Before disclosing its first-quarter results for 2005, Uponor will publish an IFRS-compliant opening balance sheet and comparatives on a quarterly basis for 2004, presenting material effects on financial statements resulting from the adoption of these new standards. During its transition to IFRS, Uponor will apply the First-Time Adoption of IFRS, permitting certain exceptions and exemptions to be applied retrospectively to individual rules during the transition period. The adoption date, on which comparatives are based, is 1 January 2004.

The most significant changes resulting from switching over from FAS to IFRS apply to:

Segment information

Adopting IFRS will not change the Group's current segment-based division used in financial reporting. This division is based on Group organisation and internal reporting.

Uponor's regional organisations – Nordic, Central Europe, Europe – West, East and South, and North America – are used as the Group's primary reporting segment format while its businesses – Housing Solutions and Infrastructure and Environment – are treated as the Group's secondary segment format.

Investment property

Uponor holds balance-sheet items classified as investment property. Investment property is defined as property the Group holds in order to earn rental income or for capital appreciation. The most significant changes stemming from IFRS apply to the reversal of investment property revaluation and a property-specific impairment test which differs from the portfolio approach applied in FAS. Investment property is measured at cost, such as other tangible assets. Its fair value is, however, presented in the notes to the financial statements, as required by IFRS.

On 30 November 2004, the Group divested most of its assets classified as investment property to Grouse Holding Oy. On 31 December 2004, the remaining investment property carried a balance sheet value of less than EUR 30 million, which is regarded as equalling the property's fair value when adopting IFRS.

Revaluation (slightly over EUR 20 million) of investment property under tangible assets was reversed during the transition.

Leases

Leases on tangible assets, which expose the Group to risks and rewards inherent in holding such leased assets, are classified as finance leases. These are recognised as tangible assets on the balance sheet measured at the lesser of the fair value of the leased property at the inception of the lease and the present value of the minimum lease payments. An asset based on a finance lease is depreciated over its useful life or within the shorter lease term. Similarly, lease obligations are recognised under interest-bearing liabilities on the balance sheet.

A Group company acting as a lessor recognises the present value of future lease payments under interest-bearing receivables, and the leased-out asset under fixed assets is derecognised. Lease payments for finance leases are divided into financial expenses or income and a reduction of liabilities or assets. Lease payments for other leases are recognised as expenses in the income statement. Finance lease arrangements carried a balance-sheet value of less than EUR 20 million during the transition period.

Impairment

On each balance sheet date, the Group should assess whether there is any indication of an impaired asset. Should any such indication exist, the asset's carrying value is compared with its recoverable amount, which is the higher of the asset's net selling price and its value in use. Whenever the asset's carrying amount exceeds its recoverable amount, it is impaired, and the resulting impairment loss is recognised in the income statement. An impairment reversal should be recognised, if circumstances give rise to the reversal, or the recoverable amount has changed from the date the impairment loss was recognised.

During the transition period, Uponor recognised an impairment loss on its investment property, certain goodwill items and a few individual assets. Most of these impairments apply to investment properties, the majority of which the Group divested to Grouse Holding Oy, based on an agreement concluded on 30 November 2004.

Employee benefits

The Group applies defined contribution and defined benefit plans. Contributions under the defined contribution plan are recognised in the income statement for the accounting period during which such contributions were made. Obligations under the Group's defined benefits plans are calculated separately for each plan. Pension expenses under the defined benefit plan are recognised as expenses for the period of employment, based on calculations performed by authorised actuaries.

The Group has the most extensive defined benefit plans in place in Germany and the U.K.

Financial instruments

Available-for-sale financial assets are carried at fair value. Changes in the asset's fair value are recognised in the revaluation reserve under shareholders' equity. Changes in fair value will be 'recycled' to the income statement, when the asset is disposed of or it has lost its value to the extent that an impairment loss should be recognised for the asset.

Financial assets held for trading and derivative financial assets are measured at fair value. Unrealised gains and losses arising from changes in the fair value of trading assets, and realised gains and losses on the disposal of trading assets are included in the income statement in the period in which they occur.

With respect to financial instruments, the Group applies the First-Time Adoption of IFRS, permitting certain exceptions and exemptions to be applied retrospectively to individual rules during the transition period. Financial instruments have been measured at fair value since 1 January 2005.

Deferred tax

Temporary differences between the assets' and liabilities' taxable amounts and their IFRS-based carrying amounts are presented as deferred tax assets and liabilities, in accordance with the balance sheet liability method. The greatest temporary differences come from fixed assets, revaluation of financial and derivative instruments, defined benefit plans and unused tax losses.

Uponor will recognise deferred tax assets for confirmed losses to the extent it appears probable that these confirmed losses can be used for taxable profits recorded for future financial years.

Restructuring expenditure

In December 2003, Uponor announced a restructuring plan aimed at streamlining production by integrating operations, closing and divesting plants, and discontinuing a few non-strategic businesses. IFRS sets strict formal criteria for recognising restructuring provisions. Some restructuring provisions announced in December 2003 did not meet these criteria, and Uponor had to reverse some of these provisions (around one third) during the transition period. During 2004, these restructuring provisions were, however, recognised in full, which had an effect on the quarterly comparative data for 2004.

Adopting IFRS is expected to reduce the Group's equity ratio and the balance sheet total, presented on the opening balance sheet of 1 January 2004, by around 4 percentage points and around 3 per cent, respectively.

Risk management

The ultimate goal of Uponor's risk management policy is to ensure the Group's planned profit performance, guarantee continuous business operations in changing situations and maintain the Group's liquidity, with the aim of identifying and recognising business-related risks on a systematic and extensive basis and managing these risks in the appropriate way. The Group's risk management forms an integral part of the Group's corporate governance system.

The person responsible for Group risk management is in charge of overall risk management co-ordination, also ensuring the co-ordination of adequate insurance and risk-management reporting procedures within the Group. The parent company's Group Treasury is responsible for financial and currency risk management on a centralised basis.

Business risks

Raw material risks

Uponor runs a centralised raw-material purchasing function in order to improve cost efficiency and minimise risks. The twenty largest suppliers account for roughly 70 per cent of all raw-material purchases. The components and plastics required for the manufacture of Uponor's product solutions are classified as raw materials.

The majority of purchased plastics are polyolefins, such as polyethylene and polypropylene, while some PVC is also used. Purchases were mainly made in euros.

Uponor typically concludes long-term agreements with its main suppliers, revised for prices and quantities during the year, with a view to guaranteeing raw material availability and managing risks associated with price fluctuations. In an effort to guarantee disruption-free business, Uponor requires its main suppliers to be able to supply raw material from more than one production plant. In addition, based on the plan prepared in co-operation with Uponor, suppliers are responsible for supplying and warehousing raw material and products, enabling Uponor to minimise its raw material stock. Uponor performs supplier audits in order to ensure that the entire supply chain conforms to Uponor's corporate social responsibility values.

Resin prices are, by and large, characterised by wide fluctuations. Uponor makes use of higher value-added resins, which are much less vulnerable to price swings than standard resin grades.

Environmental risks

Uponor's production plants aim to take environmental risks into account as part of their production management. The manufacture of resin-based products does not generate major emissions or risks detrimental to the environment. In the manufacture of PVC products, Uponor has sought to reduce any detrimental environmental effects by abandoning the use of lead stabilisers, due to the toxicity of lead.

Fire in a plant or warehouse may incur a risk of toxic gas emissions from PVC raw material or end products. Uponor manufactures PVC-based products in four plants. The combustion of polyolefin plastics – raw materials most used by Uponor – form only carbon dioxide and water.

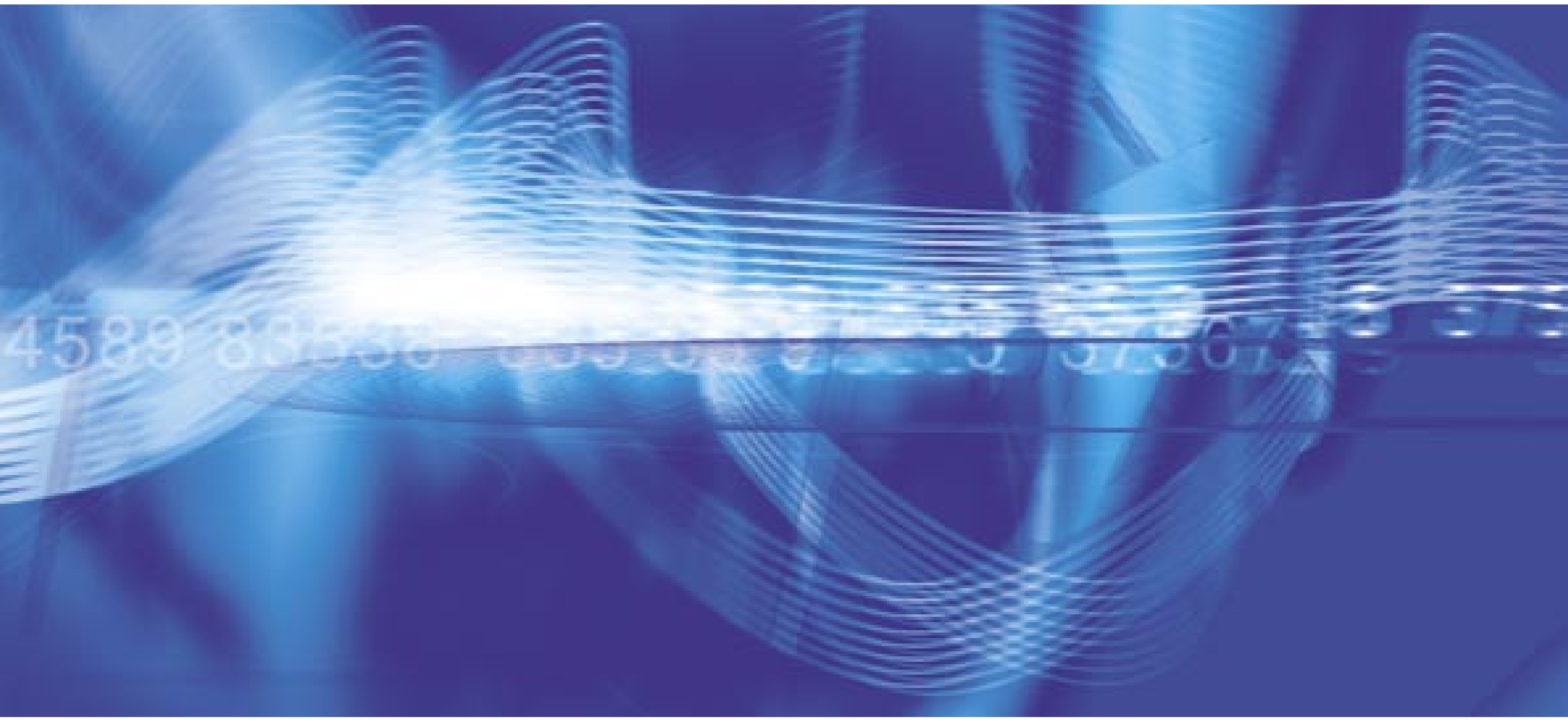
Technology risks

Since Uponor has expanded through company acquisitions, it utilises all well-known manufacturing technologies applied to plastic and composite pipe systems. Its production strategy provides for the flexible replacement of obsolescent technology with new ones.

Customer risks

Since Uponor's customers come from a diverse range of sectors, such as construction and installation firms, municipalities, non-profit organisations and wholesalers, individual customers do not represent a risk concentration.

Management of credit-loss risks is primarily the responsibility of Group subsidiaries, in line with the Group's general payment terms and instructions on the required securities. In addition, Uponor manages a Group-wide credit insurance programme in order to safeguard its accounts receivable.



Damage risks

The Group's damage risk management aims to shelter the Group from insurable damage risks in order to continue operations under all circumstances.

Damage risk management is based on regular Group-wide risk analyses, performed in co-operation with risk management experts, for determining, surveying and managing any non-commercial risk factors, in order to prevent any damage to the Group. Based on risk analyses, the Group decides whether there is a need for any development measures.

The person in charge of Group risk management is responsible for the overall co-ordination of damage risk management and ensuring that insurable risks are covered.

Risks associated with financing

Financial and liquidity risks

Approved by the Board of Directors and Group Management, the Group's financing policy defines the general financing objectives and operating principles, on the basis of which Group Treasury is responsible for the Group's liquidity and adequate financing. In the main, financial risk management aims to minimise adverse effects in financial markets, safeguard the Group's profit performance and ensure the independence of individual financial institutions.

Convened on a monthly basis and chaired by the Group's President and CEO, the Treasury Committee is responsible for steering and supervising practical financial risk management. For risk management, Uponor employs only financial instruments whose market value and risk profile it can monitor reliably and continuously.

Group Treasury serves as the Group's internal bank, centralised at the Corporate Head Office, its financial risk management duties including identifying, assessing and covering the Group's net financing risks. The internal bank is also responsible for external market transactions related to asset and risk management, and providing Group subsidiaries with consultation and services within financing.

Currency risks

Due to business operations in several home markets, the Group's exposure to currency risks is not significant. In addition, the majority of purchases and sales are based on euro transactions. However, the Group is exposed to currency risks for non-euro area transactions, which is why it aims to manage risks associated with exchange rate fluctuations in such a way that they do not jeopardise earnings or solvency.

In addition to the euro, the main pricing and invoicing currencies are the US dollar, the pound sterling and the Swedish krona. The Group hedges all substantial open currency positions using currency forward contracts and currency options, as well as currency swaps. In non-euro area countries, the Group's borrowings are mainly based on local currencies.

Group subsidiaries are responsible for hedging their own net currency flows with the Group's internal bank. Group Treasury is responsible for hedging Group-level net currency flows in external currency markets.

Interest rate risks

The Group is exposed to risks involved in changing interest rates caused by market rate fluctuations. Group Treasury is responsible for balancing the interest rate position and minimising interest rate risks, within the framework specified by corporate financial policy.

In order to manage interest rate risks, Uponor aims to spread Group funding across fixed and floating interest rate instruments. The duration of the interest rate position is regulated by choosing loans with different interest rate periods and by using different derivative instruments, such as interest rate swaps, forward rate agreements and interest rate options. Group Treasury is also responsible for matching external financial items and the life span of balance sheet items funded by such items.

At the end of 2004, the duration of the interest rate position applying to the Groups' loan portfolio averaged 18 months, compared with 24 months a year ago.

Liquidity risks

Liquidity risk management is based on the balanced distribution of loan maturities, as well as adequate liquidity reserves consisting of Group cash reserves plus stand-by credit limits necessary to maintain liquidity in all circumstances.

Group Treasury is responsible for the co-ordination of Group funding through the parent company. In exceptional cases, mainly for practical or legal reasons, Group Treasury may establish local working capital credit lines in the name of a subsidiary, guaranteed by the parent company.

In countries where the Group runs several business units, company-specific deficit and surplus cash balances are netted within the Group cash pool co-ordinated by Group Treasury.

Counterparty risks

In order to minimise credit risks, the Group invests its cash reserves and makes derivative contracts only with parties who meet the terms of credit standing the Group has set for such parties.

The Group invests its cash reserves only in low-risk instruments, which can be liquidated immediately and at an explicit market price. The Group applies pre-determined, maximum amounts to financial investments.

Corporate governance

Pursuant to the Finnish Companies Act and the Articles of Association of Uponor Corporation (hereinafter 'the Corporation'), the control and management of the Corporation is divided among the shareholders, the Board of Directors and the Chief Executive Officer (CEO). Uponor Corporation follows the recommendation on corporate governance for listed companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers (TT).

General meetings of shareholders

Shareholders exercise their rights in general meetings of shareholders, which constitute the Corporation's highest decision-making body. Under the Companies Act, decisions made by general meetings of shareholders include:

- Amendments to the Articles of Association
- Adoption of the annual accounts
- Dividend distribution
- Share issues
- Buyback and disposal of the Corporation's shares
- Share /stock-option plans
- Election of members of the Board of Directors and decision on their emoluments
- Election of the Corporation's auditor and decision on audit fees

Under the Finnish Companies Act, a shareholder has the right to require discussion on a matter at the general meeting of shareholders if (s)he submits his/her demand in writing to the Board of Directors well in advance so that the matter can be included in the notice of meeting.

Shareholders, who alone or jointly with others hold a minimum of 10 per cent of company shares, have the right to demand in writing that an extraordinary general meeting (EGM) of shareholders be convened for the purpose of discussing a specified matter.

Shareholders wishing to participate in, and exercise their voting rights at, the general meeting of shareholders must notify the Corporation of their intention to attend the meeting by the date mentioned in the notice of meeting.

Board of Directors

Duties

In accordance with the Finnish Companies Act, the Board of Directors is responsible for the management of the Corporation and the proper organisation of its activities. The Board's main duty is to direct the Corporation's operations in such a way that in the long run the best use of the invested capital is secured, while simultaneously taking the expectations of various stakeholders into account. In addition to its statutory duties, the Board takes decisions on all other significant issues, such as Group strategy, dividend policy, budget, major investments including company acquisitions, as well as major restructuring plans. The Board also approves succession plans for the CEO and the Executive Committee members.

Election and membership

Pursuant to the Articles of Association, the Board comprises a minimum of five and a maximum of seven members, elected for a one-year term starting at closing of the Annual General Meeting (AGM) at which they were elected and expiring at closing of the following AGM. Board members may be elected or removed only by a resolution adopted by the shareholders in a general meeting. The number of terms Board members may serve is not limited, nor is there any defined retirement age applying to them.

The AGM held in March 2004 elected the following five members to the Board: Mr Matti Niemi, Mr Pekka Paasikivi, Mr Aimo Rajahalme, Ms Anne-Christine Silfverstolpe Nordin and Mr Rainer S. Simon. (For more detailed information on Uponor's Board members, please see page 64 or visit www.uponor.com.)

It is the Corporation's policy to comply with the recommendation on issues related to Board members, their independence and non-executive position, issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers (TT). All Board members are required to deal at arm's length with the Corporation and its subsidiaries and to disclose any potential conflicts of interest.

All of the Board members are independent of the Corporation and all of the Board members, except for Mr Paasikivi, are independent of major shareholders.

It is in the interests of the Corporation and stakeholders that the elected Board members represent expertise in various fields, such as the Corporation's industry, relevant technologies, financing, human resources management, risk management and international sales and marketing.

The AGM determines Board emoluments and fees. Based on the 2004 AGM's decision, the annual Board emoluments are as follows: Chairman EUR 41,000, Deputy Chairman EUR 28,000 and ordinary Board members EUR 25,000. All members are also entitled to a fee of EUR 400 for each Board meeting.

Additionally, the AGM decided that approximately 40 per cent of the annual emoluments should be paid in terms of company shares acquired on behalf and in the name of the Board members and approximately 60 per cent in cash.

The table below shows annual emoluments and fees paid to the current Board members during 2004:

Board member	Annual emoluments,	Meeting fees,
Paasikivi Pekka, Chairman	41,000	4,960
Niemi Matti, Deputy Chairman	28,000	4,960
Rajahalme Aimo	25,000	4,560
Silfverstolpe Nordin Anne-Christine	25,000	4,960
Simon Rainer S.	25,000	3,200
Total	144,000	22,640

The Board members are not involved in the Corporation's share-based incentive scheme.

The Board elects from among its members a Chairman and Deputy Chairman, for one year at a time.

Meetings and decision-making

The Board meets on average 12 times a year. Some meetings may be held as teleconferences. Two of the meetings should take place at a business unit, a different one at each time. The Board of Directors may also meet at any time without the presence of the corporate management.

During 2004, the Board held 14 meetings, two of these at a business unit and three as teleconferences. Four non-attendances were recorded.

Board Committees

The Board of Directors has decided that the Corporation shall not have a separate Audit Committee but the Board shall perform the duties otherwise vested with such a committee. The Board meets the external auditor at least twice a year, once without the presence of the corporate management. In addition to monitoring internal and external audits, the Board's duties as Audit Committee include examining the contents of the Corporation's annual accounts and interim reports, and monitoring its internal-control and risk-management systems.

Whenever necessary, the Board sets up ad hoc committees to deal with various issues, such as compensation and nominations. In 2004, the Board set up an ad hoc nomination committee to select a successor to Horst Rahn, who resigned from the Board.

Chief Executive Officer

Assisted by the Executive Committee, the Chief Executive Officer is in charge of the Group's day-to-day management in accordance with the orders and instructions issued by the Board. It is the CEO's duty to ensure that the Corporation's accounting procedures comply with the applicable legislation and that the financial management is conducted in a reliable manner. The CEO is also the Chairman of the Executive Committee.

The annual remuneration paid to the CEO, Jan Lång, in 2004 totalled EUR 285,600, including fringe benefits. He is also entitled to a bonus of a maximum of 50 per cent of his annual remuneration. In 2004, he received EUR 58,333.33 in bonuses.

Under the terms of the written service contract with the CEO, the contract may be terminated by either the CEO or the Corporation at six (6) months´ notice. If the Corporation terminates the contract, it shall pay the CEO, in addition to the statutory compensation for the notice period, an amount equivalent to the remuneration paid to the CEO for 12 months preceding the termination. The Corporation may also terminate the agreement with immediate effect by paying an indemnification equivalent to his 18-month remuneration. The CEO is entitled to retire at the age of 63, with a full pension calculated in accordance with the Employees'

Pensions Act (TEL). The CEO must retire at the age of 65, at the latest.

Executive Committee

Duties

The Executive Committee (ExCom) is mainly responsible for formulating and implementing the Group's strategy. It also discusses and decides on significant operational issues, while each of its members is responsible for the Group's day-to-day management with respect to his/her field of responsibility.

In addition, the ExCom deals with budgets, business plans and their implementation, major organisational changes and any changes in employment terms and conditions affecting a large number of employees.

Membership

The ExCom comprises the CEO and the number of executives determined by the Board, with the CEO acting as the Chairman. (For more information on ExCom members and their responsibilities, please refer to pages 65–67.)

Meetings and decision-making

The ExCom meets 10–12 times a year, with informal records being kept of its meetings. In 2004, the ExCom held 11 meetings.

Board and CEO evaluation

The Board conducts an annual evaluation of the CEO's performance with respect to, for example, strategic planning, management skills and financial performance, based on a special evaluation form. In addition, the Board conducts a separate evaluation of its performance and that of the Chairman, while each director also assesses his/her personal performance.

Compensation

The Group's compensation system is divided into three elements: basic salary and fringe benefits, a profit- and performance-based bonus system and a long-term incentive programme. Depending on an individual employee's position, various combinations may be applied. The superior of an employee's immediate supervisor is responsible for approving an individual employee's compensation.

A Group employee is not entitled to a separate fee for Board membership within a Group company.

The Board determines the CEO's employment terms and conditions and annual compensation, and approves ExCom members' annual compensation, based on the CEO's proposal.

Internal control, risk management and internal audit

The Board and the CEO determine the policies used to steer the Group's operations. As part of internal control, the management is responsible for monitoring compliance with said policies within the Group.

The Group's main risk areas have been identified, with each ExCom member being allocated his/her own area of responsibility with regard to the identified risks. These responsibilities include the management and proper organisation of such areas throughout the Group. The officer in charge of risk management co-ordinates overall risk management within the Group and is also responsible for ensuring appropriate insurance coverage and organising risk-management reporting on a Group-wide basis.

Internal audit is independent of daily business operations in order to provide a solid basis for unbiased business evaluation. The Board approves the annual internal audit plan.

In 2004, the Corporation initiated preparatory measures to outsource its internal audit. In February 2005, the Board made a decision to outsource internal audit.

External audit

The AGM elects the external auditor on the basis of the Board's proposal. The external auditor must be a corporation of authorised public accountants accredited by the Central Chamber of Commerce of Finland. In co-operation with the auditor, the corporate management organises the audit of the Group's legal units, as required by applicable local legislation. Local companies' auditors report directly to the legal unit they have audited, submitting a copy of each report to the Group's financial administration for inclusion in the Corporation's audit log.

The 2004 AGM appointed KPMG Wideri Oy Ab, a corporation of authorised public accountants, as the Corporation's auditor for the financial year 2004, with Mr Sixten Nyman, Authorised Public Accountant, acting as the principal auditor. Audit fees paid in 2004 to the external auditor for statutory audit services totalled EUR 695,000, for audit related services EUR 50,000 and for non-audit services EUR 280,000.

Insider guidelines

The Corporation complies with the guidelines for insiders issued jointly by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

The Corporation's permanent insiders comprise Board members, the CEO, Executive Committee members, the Board secretary and the auditor. The Corporation maintains its primary insider register in Finnish Central Securities Depository Ltd's SIRE system.

The Corporation also maintains a secondary, non-public register of its insiders including employees within the Group's administration. Those involved in the development and preparation of a project, such as mergers and acquisitions, are considered project-specific insiders. Whenever appropriate, the Corporation maintains a special project-specific insider register. The Group's internal insider rules are published on the Group intranet, and Group employees are required to act in accordance with these rules.

Trading in the Corporation's shares and other securities is subject to prior approval by the Corporation's General Counsel. The Corporation applies an absolute three-week trading prohibition prior to the disclosure of annual accounts and interim reports.

The table below shows shares and stock options held by the permanent insiders in 2004 (including any holdings of corporations controlled by them and any holdings of persons under their guardianship).

Name	Position	Date	Shares	A-options	B-options
Aarnio Paula	Executive Committee member	1 Jan.	-	-	-
		31 Dec.	-	-	-
Bjork Jim	Executive Committee member	1 Jan.	-	3,500	3,500
		31 Dec.	-	0	0
Brinkmann Bernhard	Executive Committee member	1 Jan.	-	-	-
		31 Dec.	-	-	-
Graevenitz von Georg	Executive Committee member	1 Jan.	-	-	-
		31 Dec.	-	-	-
Holopainen Pekka	Board secretary	1 Jan.	-	-	-
		31 Dec.	-	-	-
Kallioinen Jukka	Executive Committee member	1 Jan.	220	0	0
		31 Dec.	440	0	0
Luomakoski Jyri	Deputy CEO, CFO	1 Jan.	800	7,000	14,000
		31 Dec.	1,600	0	0
Lång Jan	President and CEO	1 Jan.	-	-	-
		31 Dec.	9,400	-	-
Niemi Matti	Board member	1 Jan.	790	-	-
		31 Dec.	2,494	-	-
Norbäck Kari	Executive Committee member	1 Jan.	-	0	14,000
		31 Dec.	-	0	0
Nyman Sixten	Auditor	1 Jan.	-	-	-
		31 Dec.	-	-	-
Paasikivi Pekka	Board Chairman	1 Jan.	177,776	-	-
		31 Dec.	356,890	-	-
Rajahalme Aimo	Board member	1 Jan.	501	-	-
		31 Dec.	4,000	-	-
Rintanen Lauri	Executive Committee member	1 Jan.	-	-	-
		31 Dec.	400	-	-
Silfverstolpe Nordin Anne-Christine	Board Member	1 Jan.	501	-	-
		31 Dec.	3,448	-	-
Simon Rainer S.	Board Member	1 Jan.	-	-	-
		31 Dec.	746	-	-
Tollsten Anders	Executive Committee member	1 Jan.	-	-	-
		31 Dec.	-	-	-

Uponor Corporation Board of Directors 1 January 2005

Left to right: Matti Niemi (Deputy Chair), Pekka Paasikivi (Chair), Rainer S. Simon, Anne-Christine Silfverstolpe Nordin and Aimo Rajahalme.

■ Pekka Paasikivi
b. 1944, Finnish citizen, B.Sc. (Eng.),
Chair of the Board of Oras Invest Ltd and Oras Ltd
Chair of the Board, Uponor Corporation from 30 September 1999
Member of the Board from 23 September 1999

Board memberships:
- Member of the Supervisory Board, Finpro Oy
- Deputy Chair of the Board, Hollming Oy
- Deputy Chair of the Supervisory Board, Varma Mutual Pension Insurance Company
- Member of the Board, Okmetic Oyj
- Member of the Board, Raute Oyj
- Member of the Board, Technology Industries of Finland
- Member of the Board, Foundation of Economic Education
- Member of the Board, Confederation of Finnish Industry and Employers until 31 December 2004

Career history:
- Various positions at Oras companies, e.g. Managing Director and CEO

■ Matti Niemi
b. 1947, Finnish citizen, B.Sc. (Econ)
Deputy Chair of the Board, Uponor Corporation from 17 March 2004
Member of the Board from 21 April 1994

Board memberships:
- Member of the Board, Hollming Oy
- Member of the Board, Kapiteeli Oyj since 16 March 2004
- Member of the Board, M-real Corporation until 15 March 2004
- Member of the Supervisory Board, Sampo Life Insurance Company Limited until 24 March 2004
- Chair of the Board, Solidium Oy since 27 May 2004

Career history:
- Deputy CEO, Varma-Sampo Mutual Pension Insurance Company, 1998–2003
- Deputy CEO, Varma Mutual Pension Insurance Company, 1996–1998
- Various director positions in Postipankki Oy, 1974–1995, a.o. as Managing Director, 1988–1995

■ Aimo Rajahalme
b. 1949, Finnish citizen, M.Sc. (Econ.),
Executive Vice President, Finance and Information Services, Kone Corporation
Member of the Board, Uponor Corporation from 17 March 2003

Career history:
- Member of Executive Committee, Kone Corporation, since 1991
- Various positions at Kone Corporation, a.o. as CFO, 1991–2001
- Employed by Kone since 1973

■ Anne-Christine Silfverstolpe Nordin
b. 1950, Swedish citizen, M.A. (Soc.), consultant, owner of Chorda Management AB
Member of the Board, Uponor Corporation since 17 March 2003

Board memberships:
- Chair of the Board, Friskis & Svettis Riks If
- Chair of the Board, Jympaprodukter F&S AB
- Member of the Board, Springtime AB
- Member of the Board, Institute of Graphics Design, Sweden

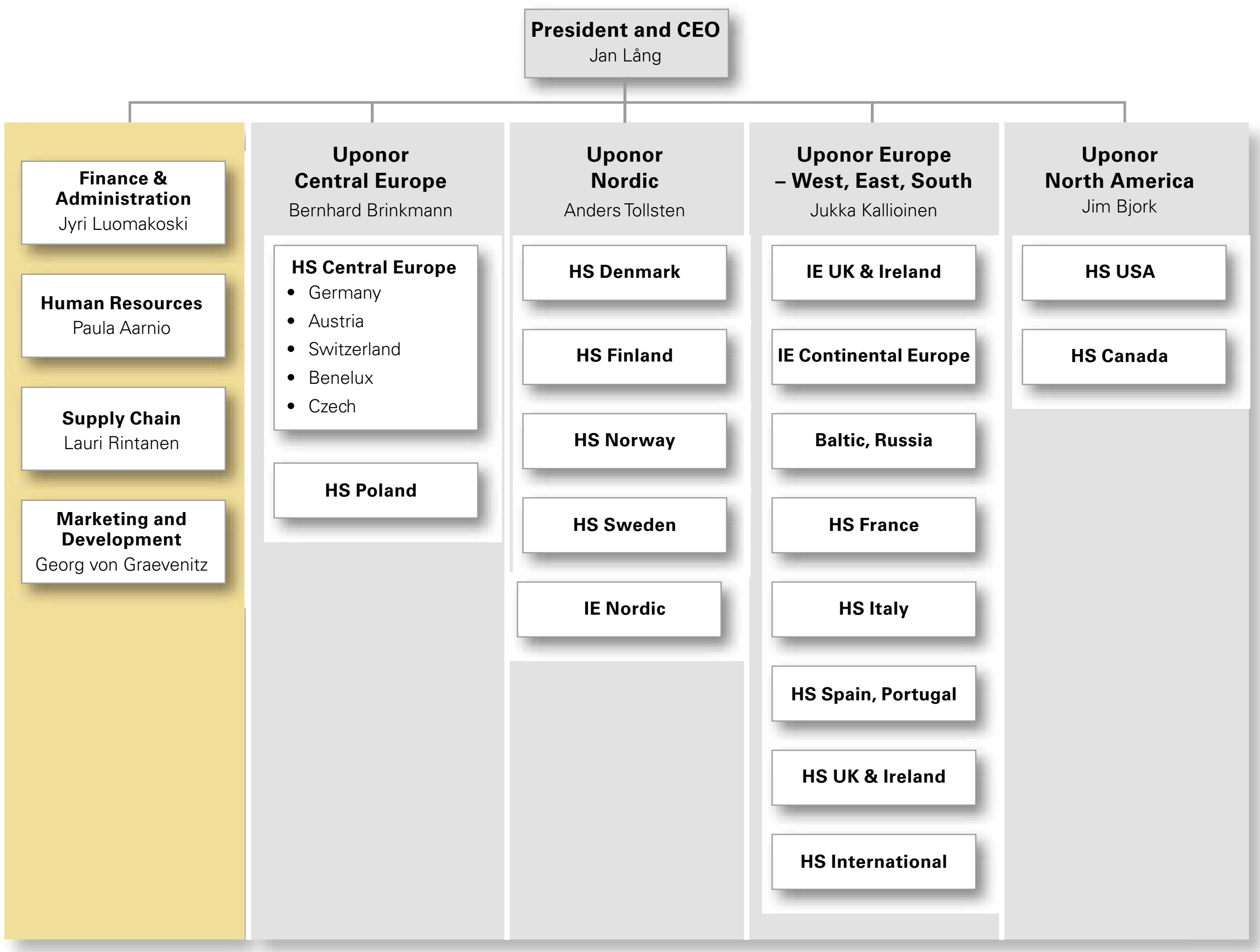
Career history:
- Senior Vice President, Swedish Post (Posten AB) 1997–2002
- Various positions in Human Resources in different companies 1984–1997

■ Rainer S. Simon
b. 1950, German citizen, Dr.Sc.(Econ.),
President and CEO, Sanitec Corporation
Member of the Board, Uponor Corporation, from 17 March 2004

Board memberships:
- Chair of the Board, Keramag AG (listed company controlled by Sanitec)
- Member of the Board, Friedrich Grohe AG until 11 July 2004

Career history:
- Member of the Executive Board, Friedrich Grohe AG, 1995–2002
- Senior Vice President, Europe, Continental AG, 1993–1995
- Managing Director, Keiper-Recaro, 1991–1993
- Various national and international marketing and general management positions, Continental AG, 1979–1990

Organisation 1 January 2005



HS = Housing Solutions business
IE = Infrastructure and Environment business

The responsibilities of the Executive Committee are as follows:

- Deputy CEO and CFO Jyri Luomakoski:
  finance and administration, legal services, ERP project and IT, as well as strategic planning
- Executive Vice President, Human Resources, Paula Aarnio:
  human resources development and management systems
- Executive Vice President, Marketing and Development, Georg von Graevenitz:
  brand management, product portfolio, communications as well as product and systems development and standardisation
- Executive Vice President, Supply Chain, Lauri Rintanen:
  production, purchasing, logistics and technology

Regional responsibilities are presented in the chart above.

Executive Committee 1 January 2005

Jan Lång
President and CEO
M.Sc. (Econ.)
b. 1957, Finnish citizen

Employed by Uponor since June 2003

Career history
- President and CEO, Uponor Corporation, 1 August 2003–
- Various positions at Huhtamäki Group during 1982–2003:
  - Division President, Food Service, Europe, 2003
  - Group Vice President, South & West Europe, 2001–2002
  - Group Vice President, Global Sourcing, 2000–2001
  - Steering Group Member, Senior Executive, Huhtamäki/Van Leer merger, 1999–2000
  - Group Vice President, North & West Europe, Leaf Group, 1997–1999
  - Various director and manager positions in Germany, Holland, UK and Finland, 1982–1977

Jyri Luomakoski
Deputy CEO, CFO
MBA
b. 1967, Finnish citizen

Employed by Uponor since 1996

Career history
- Uponor:
  - Deputy CEO, Uponor Corporation, 2002–
  - CFO, member of Executive Committee, Uponor Corporation (Asko Oyj), 1999–
  - Group controller, Uponor, 1997–1999
  - Controller, Uponor, 1996–1997
- Deputy Managing Director and CFO, Oy Lars Krogius Ab, 1991–1996
- Director and Manager positions in Germany and Finland, Datatrans, 1987-1991

Paula Aarnio
Executive Vice President, Human Resources
M.Sc. (Eng.)
b. 1958, Finnish citizen

Employed by Uponor since February 2004

Career history
- Human Resources Director, Oy Karl Fazer Ab, 2001-2004
- Various positions at Fortum/Neste Group 1985-2001, in product development, marketing, sales and human resources

Jim Bjork
Executive Vice President, Uponor North America
B.A., MBA
b. 1959, US citizen

Employed by Uponor since 1990

Career history
- Uponor:
  - President, Housing Solutions North America, 2002–2003
  - Vice President, North America, Plumbing and Heating Systems, 2000–2002
  - Managing Director, Wirsbo Company, 1998–2000
  - Director, Wirsbo Company, 1996–1998
  - CFO, Plant Director, Sales Director, Marketing Director, Wirsbo Company, 1990–1996

Bernhard Brinkmann
Executive Vice President,
Uponor Central Europe
M.Sc. (Mech.Eng.)
b. 1953, German citizen

Employed by Uponor since
May 2004

Career history
- CEO, Zarges-Tubesca Holding GmbH, 1996 – 2004
- Division Head of Small Domestic Appliances, Bosch-Siemens Hausgeräte GmbH, 1992–1996
- CEO, Esselte GmbH, 1988–1991
- Director of Strategic Planning, Osram GmbH, 1985–1988
- Management Consultant, Roland Berger & Partner GmbH, 1980-1985

Georg von Graevenitz
Executive Vice President,
Marketing and Development
M.Sc.(Eng.)
b. 1947, Finnish citizen

Employed by Uponor since
March 2004

Career history
- Executive Vice President, Marketing, Uponor Corporation, March – October 2004
- Vice President, Marketing, Sulzer Pumps, 2000–2004
- Vice President, Marketing, Ahlstrom Pumps Oy, 1997–2000
- Regional Vice President, Foster Wheeler Energy, 1995–1997
- Managing Director, Ahlstrom CNIM, Paris, France, 1994–1995
- Director Business Development, Ahlstrom Pyropower, 1993–1994
- Various director positions at Nokia in cables and capacitor business in Finland and abroad, 1988–1993
- Various marketing and general manager positions at Tampella, Ahlström and Brown Boveri in Finland, Sweden and Switzerland,1974–1988

Jukka Kallioinen
Executive Vice President,
Uponor Europe
– West, East, South
M.Sc. (Eng.), eMBA
b. 1958, Finnish citizen

Employed by Uponor since
1984

Career history:
- Uponor:
  - President, Infrastructure and Environment Europe, 2002–2003
  - Director, Building and Construction Division, 1999–2002
  - Director, Municipal Engineering, 1998–1999
  - Managing Director, Uponor Anger GmbH, Germany, 1995–1998
  - Business Area Manager, Ecoflex, 1988–1995

Lauri Rintanen
Executive Vice President,
Supply Chain
M.Sc. (Eng.)
b. 1955, Finnish citizen

Employed by Uponor since
February 2004

Career history:
- Various positions at Nokia Group during 1989–2003:
  - Director, OLS, Quality, Process Development and Customer Care, Nokia Mobile Phones (NMP), Entertainment & Media, 2002–2004
  - Vice President, NMP, APAC Operations, 1997–2001
  - Site Director, NMP, in Finland and in UK, 1992–1997
  - Quality Director, NMP, Operations, Finland, 1989–1991

Anders Tollsten
Executive Vice President,
Uponor Nordic
M.Sc. (Eng.)
b. 1962, Swedish citizen

Employed by Uponor since
February 2004

Career history:
- CEO, ABB Building Systems AB, 2002–2003
- CEO, NorthNode AB, 2001–2002
- Head of LV Motor Division, ABB Motors AB 1996–2001
- Sub-division Manager, ABB Installation AB, 1994–1996

Facilities

Uponor Group Head Office

Uponor Corporation
P.O. Box 37 (Robert Huberin tie 3 B)
FI-01511 Vantaa
Tel. +358 20 129 211
Fax +358 20 129 2841
www.uponor.com
firstname.lastname@uponor.com

Regions

Uponor Central Europe

Region management
Uponor Central Europe
PO Box 1641 (Industriestrasse 56)
D–97433 Hassfurt
Tel. +49 9521 6900
Fax +49 9521 690 150

Offices

Austria
WA Vertriebs GmbH
Tour u. Andersson Strasse 2
A–2353 Guntramsdorf
Tel. +43 2236 230 030
Fax +43 2236 256 37

Czech
Uponor Czech s.r.o.
Uponor Central Europe, Housing Solutions
Bezová 1
147 00 Praha 4
Tel. +420 244 062 330
Fax +420 244 462 171
www.uponor.cz

Germany
Cronatherm GmbH & Co KG
Reutherstrasse 1 c
D–53773 Hennef
Tel. +49 2242 901 030
Fax +49 2242 901 030
www.cronatherm.de

Hewing GmbH
PO Box 1142 (Waldstrasse 3)
D–48600 Ochtrup
Tel. +49 2553 7001
Fax +49 2553 7017
www.hewing.de

Polytherm GmbH
PO Box 1265 (Prof.-Katerkamp-Strasse 5)
D–48601 Ochtrup
Tel. +49 2553 7250
Fax +49 2553 725 44
www.polytherm.de

Unicor GmbH Rahn Plastmaschinen
PO Box 1641 (Industriestrasse 56)
D–97433 Hassfurt
Tel. +49 9521 6900
Fax +49 9521 690 195

Uponor Rohrsysteme GmbH
PO Box 1641 (Industriestrasse 56)
D–97433 Hassfurt
Tel. +49 9521 6900
Fax +49 9521 690 150
www.uponor.de

Uponor Rohrsysteme GmbH
Am Köhlersgehäu 17
D–98544 Zella-Mehlis
Tel. +49 3682 897 560
Fax +49 3682 897 510

Uponor-Velta GmbH & Co KG
Hans-Böckler-Ring 41
D–22851 Norderstedt
Tel. +49 40 309 860
Fax +49 40 309 86 433

Poland
Uponor Polska Sp. z o.o.
ul. Koscinskiego
PL–96-502 Sochaczew
Tel. +48 46 864 0300
Fax +48 46 864 0303
www.uponor.pl

Sweden
Sörberg Produktion AB
PO Box 29 (Kungsgatan 16)
SE–73621 Kungsör
Tel. +46 227 410 00
Fax +46 227 135 67

Uponor Nordic

Region management
Uponor Nordic
PO Box 101
SE–730 61 Virsbo
Tel. +46 223 380 00
Fax +46 223 381 01

Offices

Denmark
Uponor A/S
PO Box 29 (Fabriksvej 6)
DK–9560 Hadsund
Tel. +45 99 521 122
Fax +45 98 572 022
www.uponor.dk

Uponor Wirsbo A/S
Banemarksvej 2
DK–2600 Glostrup
Tel. +45 43 453 797
Fax +45 43 431 011
www.wirsbo.dk

Finland
Uponor Suomi Oy
PO Box 21 (Kouvolantie 365)
FI-15561 Nastola
Tel. +358 20 129 211
Fax +358 20 129 210
www.uponor.fi

Uponor Suomi Oy
PO Box 52 (Lallintie 5)
FI-30101 Forssa
Tel. +358 20 129 2700
Fax +358 20 129 2701

Uponor Suomi Oy Housing Solutions
PO Box 145 (Kylänportti 2)
FI-02941 Espoo
Tel. +358 20 129 211
Fax +358 20 129 2651

Uponor Suomi Oy Housing Solutions
Hallilantie 27
FI-33820 Tampere
Tel. +358 20 129 211
Fax +358 20 129 2791

Uponor Suomi Oy Housing Solutions
Kiilakiventie 1
FI-90250 Oulu
Tel. +358 20 129 211
Fax +358 20 129 2801

Jita Oy
PO Box 47 (Lakarintie 10)
FI-34801 Virrat
Tel. +358 3 475 6100
Fax +358 3 475 4040

Nereus Oy
PO Box 36 (Ylinenkatu 6)
FI-23501 Uusikaupunki
Tel. +358 2 842 5200
Fax +358 2 841 6099

Norway
Uponor Wirsbo AS
PO Box 23 (Støttumveien 7)
N–1541 Vestby
Tel. +47 64 956 600
Fax +47 64 953 120
www.uponor.no

Uponor Wirsbo AS
PO Box 90 (Fabrikkgaten 5)
N–5821 Bergen
Tel. +47 55 292 230
Fax +47 55 293 143

Uponor Wirsbo AS
PO Box 5768 (Klaebuvn 212)
N–7437 Trondheim
Tel. +47 73 969 430
Fax +47 73 969 444

Uponor Wirsbo AS
Arendals vei 72
N–4878 Grimstad
Tel. +47 37 049 785
Fax +47 37 049 786

Uponor Wirsbo AS
PO Box 1198 (Hillevågsveien 14)
N–4095 Stavanger
Tel. +47 51 883 377
Fax +47 51 883 379

Sweden
Uponor AB
SE–513 81 Fristad
Tel. +46 33 172 500
Fax +46 33 260 700

Uponor Wirsbo AB
PO Box 101
SE–730 61 Virsbo
Tel. +46 223 380 00
Fax +46 223 381 01
www.uponor.se

Uponor Europe – West, East, South

Region management
Uponor Europe – West, East, South
P.O. Box 37 (Robert Huberin tie 3 B)
FI-01511 Vantaa
Tel. +358 20 129 211
Fax +358 20 129 2841

Offices

Czech
Uponor Czech, spol. s.r.o.
Bezová 1
147 00 Praha 4
Tel. +420 244 460 668
Fax +420 244 462 171

Estonia
Uponor Eesti AS
Peterburi tee 63B
EE–11415 Tallinn
Tel. +372 605 2070
Fax +372 638 0867
www.uponor.ee

France
Uponor France S.A.
PO Box 29
Les Apprêts
F–38590 St. Etienne de St. Geoirs
Tel. +33 4 7693 4343
Fax +33 4 7693 5301
www.uponor.fr

Germany
Uponor Anger GmbH
PO Box 2208 (Brassertstrasse 251)
D–45752 Marl
Tel. +49 2365 6960
Fax +49 2365 696 102

Uponor Klärtechnik GmbH
Brassertstrasse 251
D–45768 Marl
Tel.+49 2365 696 500
Fax +49 2365 696 539

Hungary
Uponor Magyarország
Épületgépészeti Kft.
Vegyész u. 17-25
H–1116 Budapest
Tel. +36 1 2033 611
Fax +36 1 2033 617
www.uponor.hu

Ireland
Uponor Limited
Bishopstown
Cork
Tel. +353 21 4541 834
Fax +353 21 4543 541
www.uponor.co.uk

Italy
Uponor S.r.l.
Via Leonardo da Vinci, 418
I–45021 Badia Polesine (RO)
Tel. +39 0425 596 811
Fax +39 0425 596 899
www.uponor.it

Uponor S.r.l.
Via XXV Aprile 20
I–20050 Sulbiate (MI)
Tel. +39 039 627 421
Fax +39 039 627 4221

Latvia
Uponor Latvia SIA
Ganibu dambis 7A
LV–1045 Riga
Tel. +371 782 1321
Fax +371 782 1322

Lithuania
Uponor UAB
Pelesos g. 3
LT–2600 Vilnius
Tel. +370 5 2132 336
Fax +370 5 2132 337

Portugal
Uponor Portugal – Sistemas para
Fluidos, Lda.
Rua Central do Olival, 1100
S. Martinho de Arnelas
P–4415-726 Olival VNG
Tel. +351 227 860 200
Fax +351 227 829 644

Russia
ZAO Uponor Rus
Godovikova st. 9
RUS–129085, Moscow
Tel. +7 095 789 6982
Fax +7 095 789 6983

ZAO Uponor Rus
Bolshoi pr. 86-1, liter A
RUS–199026, St. Petersburg
Tel. +7 812 322 1414
Fax +7 812 327 5690

Spain
Uponor Hispania S.A.U.
Calle C, no 24
Polígono Industrial no1
E–28938 Móstoles (Madrid)
Tel. +34 91 685 3600
Fax +34 91 647 3245
www.uponor.es

United Kingdom
Uponor Limited
Hilcote Plant
PO Box 1
Blackwell
Near Alfreton, Derbyshire DE55 5JD
Tel. +44 1773 811 112
Fax +44 1773 812 343
www.uponor.co.uk

Uponor Limited
Heighington Lane
Aycliffe Industrial Estate
Newton Aycliffe
Co. Durham DL5 6EA
Tel. +44 1325 300 010
Fax +44 1325 321 307

Uponor Housing Solutions Ltd.
Snapethorpe House
Rugby Road, Lutterworth
Leicestershire LE17 4HN
Tel. +44 1455 550355
Fax +441455 550366

Radius Plastics Limited
Scarva Road Industrial Estate
Banbridge
Co. Down BT32 3QD
Tel. +44 28 4066 9999
Fax +44 28 4066 9996

Uponor North America

Region management
Uponor North America
5925 148th St.W.
USA–Apple Valley, Minnesota 55124
Tel. +1 952 891 2000
Fax +1 952 891 2008

Offices

Canada
Uponor Canada, Inc.
655 Park Street
Regina, Saskatchewan S4N 5N1
Tel. +1 306 721 2449
Fax +1 306 721 3088

Uponor Canada
#1-250 Chrysler Dr.
Brampton, ON L6S 6B6
Tel. +1 905 458 4698
Fax +1 905 458 5615

Uponor Canada – PEX-a
Manufacturing
79 McIlveen Drive
Saint John, New Brunswick E2J 4Y6
Tel. +1 506 674 7473
Fax +1 506 633 9395

Uponor Canada
985 Bergar
Laval, Quebec H7L 4Z6
Tel. +1 450 668 9550
Fax +1 450 668 1300

USA
Burnsville Distribution Center
2300 W.Highway 13, Suite 400
Burnsville, Minnesota 55337
Tel. +1 952 882 6599
Fax +1 952 895 0404

Uponor North America –
satellite office
14985 Glazier Ave., Suite 303
USA–Apple Valley, Minnesota 55124
Tel. +1 952 997 7900
Fax +1 952 997 8999
www.uponor.us

Uponor Wirsbo Inc.
5925 148th Street W.
Apple Valley, Minnesota 55124
Tel. +1 952 891 2000
Fax +1 952 891 2008
www.wirsbo.com

Uponor analysts

Alfred Berg ABN AMRO
Helsinki
Contact person: **Tuomas Ratilainen**
Tel. +358 9 2283 2738
tuomas.ratilainen@alfredberg.fi
www.alfredberg.fi

Carnegie Investment Bank AB
Finland branch
Helsinki
Contact person: **Miikka Kinnunen**
Tel. +358 9 618 711
Fax +358 9 6187 1239
miikka.kinnunen@carnegie.fi
www.carnegie.fi

Cazenove & Co.
London
Contact person: **Ilan Chaitowitz**
Tel. +44 20 7588 2828
Fax +44 20 7155 9000
ilan.chaitowitz@cazenove.com
www.cazenove.com

Deutsche Bank AG
Helsinki branch
Tel. +358 9 2525 2553
Fax +358 9 2525 2585
www.db.com

Enskilda Securities
Helsinki
Contact person: **Tommy Ilmoni**
Tel. +358 9 6162 8720
Fax +358 9 6162 8769
tommy.ilmoni@enskilda.fi
www.enskilda.fi

eQ Bank Ltd
Helsinki
Contact person: **Kalle Karppinen**
Tel. +358 9 2312 3314
Fax +358 9 2312 3335
kalle.karppinen@eqonline.fi
www.eq.fi

Evli Pankki Oyj
Helsinki
Contact person: **Mika Karppinen**
Tel. +358 9 4766 9643
Fax +358 9 4766 9350
mika.karppinen@evli.com
www.evlinet.com

Evli Bank Plc Finland
Stockholm
Contact person: **Anders Berg**
Tel. +46 8 407 8025
Fax +46 8 407 8001
anders.berg@evli.com

Nordic Partners, Inc.
New York, USA
Contact person: **Henrik Ullner**
Tel. +1 212 829 4200
henrik.ullner@nordic-partners.com
www.nordic-partners.com

FIM Securities Ltd
Helsinki
Contact person: **Jari Westerberg**
Tel. +358 9 6134 6217
Fax +358 9 656 493
jari.westerberg@fim.com
www.fim.com

Handelsbanken Capital Markets
Helsinki
Contact person: **Tom Skogman**
Tel. +358 10 444 2752
Fax +358 10 444 2578
tom.skogman@handelsbanken.fi
www.handelsbanken.se

Kaupthing Bank Oyj
Helsinki
Contact person: **Mika Metsälä**, CFA
Tel. +358 9 4784 0241
Fax +358 9 4784 0111
mika.metsala@kaupthing.fi
www.kaupthing.net

Mandatum Stockbrokers Ltd
Helsinki
Contact person: **Robin Johansson**
Tel. +358 10 236 4828
Fax +358 9 651 093
robin.johansson@mandatum.fi
www.mandatum.fi

Nordea Securities Oyj
Helsinki
Tel. +358 9 1651
Fax +358 9 1234 0310
www.nordeasecurities.com

Opstock Securities
Helsinki
Contact person: **Henri Parkkinen**
Tel. +358 10 252 4409
Fax +358 10 252 2703
henri.parkkinen@oko.fi
www.opstock.fi

Uponor assumes no responsibility for the presented analyses.

Innocorp Oy/ Sävypaino, Finland 2005

Uponor Corporation
Group Head Office
P.O.Box 37,
Robert Huberin tie 3 B
FI–01511 Vantaa, Finland

Tel. +358 (0)20 129 211
Fax +358 (0)20 129 2841
www.uponor.com