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INTERIM REPORT 2010

INTERIM REPORT JANUARY–JUNE 2010

Revived demand boosted Uponor's profitability

- In building solutions, revived demand boosted profitability – infrastructure solutions' performance continued to be weak
- Net sales in April–June totalled EUR 204.6 million, up by 5.9%; operating profit EUR 18.8 million, up by 51.4%
- Net sales in January–June totalled EUR 362.0 (364.3) million; a change of -0.6%
- Operating profit in January–June totalled EUR 20.3 (11.4) million; a change of +77.3%
- Earnings per share for January–June were EUR 0.12 (0.07)
- Return on investment was 9.0% (4.1%), and gearing 54.3% (55.4%)
- Cash flow from business operations amounted to EUR -19.0 (-2.8) million.
- Full-year guidance remains unchanged

(Figures for continuing operations unless otherwise stated.)

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

- Our building solutions business continued its strong progress in Europe. Due to the reforms and restructurings implemented earlier, our profitability returned close to pre-recession levels, despite lower net sales.
- Overall, demand in the second quarter did not meet the expectations generated by market sentiment that had improved after the winter. The modest number of infrastructure projects was disappointing.
- Although many countries have seen numerous signs of recovery in residential construction, we are not yet expecting a sustained steady growth in demand. Staying alert and prepared for a wide range of challenges continues to be justified.

Webcast and presentation material:

Following the release of this report, the presentation material for the interim report will be available at www.uponor.com > Investors > News & downloads.

The webcast from the release briefing will be broadcast in English on Thursday, 12 August at 10:00 am. Questions for the webcast can be sent in advance to ir@uponor.com.

The webcast can also be viewed at www.uponor.com>Investors shortly after the financial information is published.

Uponor Corporation will publish its interim report January-September on Tuesday, 26 October 2010. During the silent period, 1 to 26 October, Uponor will not comment on market prospects or factors affecting business and performance.

Markets

Confidence in the recovery of the building sector, signs of which were already visible in the first quarter, somewhat strengthened in April–June. However, this improvement has been subject to major fluctuations and differences between countries. Unexpected disturbances in the global financial markets during spring and early summer, combined with withdrawals of public revitalisation measures, have weakened business and consumer confidence in the future, affecting, for instance, building sector demand in some markets.

This trend was most evident in North America where the abolition of the tax deduction for homebuyers in April spurred housing sales before the deadline. Meanwhile, however, the distribution channel began to downsize inventories in anticipation of weakening demand. The pick-up of the building sector was further delayed by the US economy's slower than expected recovery from recession. In Canada, demand continued to be relatively strong, as was the case in the first quarter.

In Central Europe and its largest market, Germany, the demand for residential construction developed favourably, offsetting most of the net sales lost in early 2010 due to the severe winter. However, order book in the public and commercial building sector, a key business area for Uponor, developed modestly. The Nordic countries have seen continued recovery in demand for building solutions since the first quarter, reflected in strong growth in Finland and Sweden. Market sentiment was significantly improved compared to a year ago in some Eastern European countries, such as Russia and Poland, whereas in the Baltic countries and South East Europe, the construction sector has not yet revived. Elsewhere in Europe, demand remained relatively unchanged year on year. In Spain, demand continued to fall in most sectors and, for example, the number of building permits continued to decline from last year's already low levels. On the other hand, home sales figures achieved a reasonable level, like in the first quarter. Furthermore, some public and commercial building projects have already been launched in large cities.

Demand for infrastructure solutions rebounded from the decline caused by the harsh winter but was weaker than expected as projects driven by central and local government decreased.

Net sales

Consolidated net sales in April–June totalled EUR 204.6 (193.3) million, up by 5.9 per cent on a year earlier. Net sales improved in the building solutions segments, with the North American segment experiencing the fastest relative growth.

Improvement in the market situation in the second quarter was reflected in net sales in all of Uponor's largest markets, outperforming Q1 year on year. The greatest growth (in euros) was reported by the United States, Canada, Norway and Sweden. Also on a positive note, the new country units and sales offices opened over the last couple of years clearly improved their net sales from last year. This creates further confidence for future growth.

In Europe, net sales in building solutions saw substantial growth in the Nordic countries, whereas net sales in Central Europe declined, mainly due to weakened demand in the

Netherlands and lower OEM sales, in particular, in Germany. In other markets, housing solutions' sales were broadly at the previous year's levels.

In addition to market recovery, net sales in building solutions were boosted by the pick-up in demand attributable to new products introduced over the last couple of years. In particular, this applies to Uponor's indoor climate solutions, the energy-efficient and environmentally-friendly features of which stimulated interest among customers. As regards plumbing systems, Uponor's solutions for renovation projects progressed well, especially in the Nordic countries. In North America, the share of net sales from plumbing systems increased since most new apartments built, particularly in the United States, were entry-level homes in which underfloor heating is not as common as in larger and more sophisticated houses.

Due to the weaker demand for infrastructure solutions, our efforts to catch up with the decline in net sales caused by the severe winter produced only modest results. Since the decline in demand also intensified price competition, Uponor decided not to participate in some projects whose profitability had been eroded. This further accelerated the decline in net sales in the infrastructure solutions business.

The translation impact of currencies for April-June net sales was EUR 7.4 million in comparison to the previous year.

Breakdown of net sales (April–June):

MEUR	4-6/2010	4-6/2009	Change
Building Solutions – Europe	130.9	125.3	4.4%
Building Solutions - North America	33.5	26.5	25.9%
(Building Solutions - North America, USD	42.5	36.5	16.3%)
Infrastructure Solutions	42.6	42.8	-0.3%
Eliminations	-2.4	-1.3	
Total	204.6	193.3	5.9%

Thanks to the higher growth rate in building solutions' net sales in April–June, the Group's first-half net sales almost reached the previous year's level. This trend was mostly hampered by the lower-than-expected net sales in infrastructure solutions in January–June.

The translation impact of currencies for January-June net sales was EUR 10.2 million in comparison to the previous year.

Breakdown of net sales (January–June):

MEUR	1-6/2010	1-6/2009	Change
Building solutions – Europe	242.9	240.9	0.8%
Building Solutions - North America	58.0	51.5	12.5%
(Building Solutions - North America, USD	76.1	68.8	10.5%)
Infrastructure Solutions	64.5	74.2	-13.1%
Eliminations	-3.4	-2.3	
Total	362.0	364.3	-0.6%

Results and profitability

The measures implemented in recent years, such as restructuring programmes and initiatives enhancing supply chain efficiency, clearly strengthened Uponor's profitability as fixed costs remained mainly unchanged while net sales increased. This trend is most evident in our building solutions business in Europe, the profitability of which improved clearly.

Uponor's consolidated gross profit for April–June totalled EUR 80.7 (71.7) million. This slight improvement was attributable to the price increases implemented as well as the reduction in material costs in relation to net sales.

The weak performance in infrastructure solutions business was mainly attributable to lower sales and the delay in passing on the increase in raw material prices through to sales prices. In Europe, building solutions' profitability was pressured by costs arising from the closure of two warehouses. Meanwhile, in North America, higher net sales and a favourable cost development yielded a positive operating result.

The impact of currency fluctuations on operating profit was insignificant in April–June.

Breakdown of operating profit (April–June):

MEUR	4-6/2010	4-6/2009	Change
Building Solutions – Europe	16.4	10.7	52.4%
Building Solutions - North America	2.0	-0.3	876.4%
(Building Solutions - North America, USD	2.7	-0.5	661.3%)
Infrastructure Solutions	3.1	5.9	-47.7%
Other	-2.7	-2.8	
Eliminations	0.0	-1.1	
Total	18.8	12.4	51.4%

Uponor's operating profit for January–June totalled EUR 20.3 (11.4) million, up by 77.3 per cent year on year. Profitability or operating profit margin improved to 5.6 per cent from the 3.1 per cent reported a year ago. Expenses for January–June remained at the previous year's level despite an impact of EUR 3.4 million from currency fluctuations.

Despite the favourable development during the second quarter, the first quarter's weak performance caused by the recession and the harsh winter clearly weakened the first half's operating profit.

In January–June, the impact of currency fluctuations on operating profit was insignificant.

Breakdown of operating profit (January–June):

MEUR	1-6/2010	1-6/2009	Change
Building Solutions – Europe	25.4	14.0	81.5%
Building Solutions - North America	0.2	-3.5	104.5%
(Building Solutions - North America, USD	0.2	-4.6	104.6%)
Infrastructure Solutions	-0.9	6.4	-114.5 %
Other	-4.6	-5.2	
Eliminations	0.2	-0.3	
Total	20.3	11.4	77.3%

The Group's discontinued operations for the second quarter include expenses from the soil decontamination measures associated with a factory property for sale. These expenses totalled EUR 0.4 million. The cleaning up of the soil was concluded during the reporting period.

For the period April–June, profit before taxes totalled EUR 15.5 (11.4) million. Taxes for the period amounted to EUR 4.7 (3.2) million. The tax rate rose to 30.0 (28.0) per cent. Profit for the period amounted to EUR 10.8 (8.2) million. Earnings per share were EUR 0.15 (0.12), both basic and diluted. Equity per share was EUR 3.30 (3.38), basic and diluted.

Investment and financing

No significant new investment projects were initiated during the reporting period. Gross investments came to EUR 5.4 (8.9) million, significantly less than depreciation which amounted to EUR 15.0 (15.5) million. Cash flow from business operations came to EUR -19.0 (-2.8) million. Cash flow was clearly weaker than a year earlier due to the increase in inventories in anticipation of higher summer demand, whereas in 2009 there was an exceptional reduction in inventories due to the weak market situation. Moreover, measures enhancing supply chain efficiency reduced capital tied up in inventories during the comparison period.

The Group continues to pay particular attention to safeguarding its liquidity at all times. Follow-up of accounts receivable and actions to avoid possible credit risk realisations are being actively continued. In these respects, the period under review showed a favourable development.

The Group's financial position continued to remain healthy. At the end of June, EUR 56 million was left from the EUR 80 million of the company's pension contribution borrowed back from a Finnish pension insurance company. At period end, EUR 61 million was issued of the EUR 150 million domestic commercial paper programme. Available bilateral credit limits amounted to EUR 190 million, none of which was in use at the end of the reporting period. The maturity of these bilateral credit limits was extended during the period so that EUR 70 million of them will become due in 2015.

Uponor's gearing remained at a healthy level. Interest-bearing liabilities, a total of EUR 130.8 million, decreased from EUR 136.8 million a year earlier, due to, inter alia, the smaller dividends paid out compared to 2009. The period-end cash balance totalled EUR 6.8 million (1 January 2010: EUR 13.2 million; 31 March 2010: EUR 6.3 million). Gearing decreased to 54.3 per cent (55.4 per cent), and remains in line with the target.

Key events

Uponor continued its active marketing efforts initiated at the beginning of the year and presented its new product and system solutions to customers at various events. At the World Expo 2010 Shanghai, which opened on 1 May, Uponor's solutions were used in the pavilions of Finland and the city of Madrid, and in the Pavilion of Innovation built by the Germans. The theme of the Expo is "Better City, Better Life". Uponor presented its indoor climate know-how and solar energy-based cooling.

Furthermore, Uponor's solutions were showcased at Europe's first Solar Decathlon competition organised in Spain. At this event, university teams competed to construct a house with the lowest energy consumption, utilising solar power. The house that utilised Uponor’s indoor climate solutions won the 1st prize in the categories industrialisation and market feasibility. In addition, it won most votes from the 190,000 visitors.

In May, the European Union published the new energy efficiency directive for buildings. In the longer term, the directive is expected to have a positive impact on the demand for Uponor products, especially its indoor climate offering, in whose marketing energy efficiency and environmental friendliness are central.

In Spain, Uponor scored a promising new niche as it started co-operation with a leading national grocery chain on delivering underfloor heating for the refrigerated goods sections in their stores. The retailer considered that customers tended to leave the refrigerated section too quickly. Thanks to underfloor heating, the floors will radiate warmth where the customers walk. In addition, this solution is environmentally friendly since the energy for the underfloor heating comes from waste energy generated by the freezers' cooling systems.

In Finland, Uponor was one of the founding members of Green Building Council Finland that promotes sustainable practices related to the built environment.

Uponor participated for the first time in the international Carbon Disclosure Project, thus reporting its first ever Group-level environmental data to institutional investors. The aim of the CDP project is to curb climate change by highlighting, for instance, industrial carbon dioxide emissions.

In an annual survey of small and medium-sized industrial enterprises carried out by the University of Vienna, Uponor ranked among Germany's 100 most innovative companies. One of the reasons for the ranking was Uponor's ability to further develop its 20-year-old composite pipe system offering, continuously expanding this product family and creating added value for customers year after year.

In Hamburg, Germany, Uponor organised the second series of high-level Uponor Knowledge Days for its Eastern European and International Sales customers and key decision-makers. The themes focused on sustainable development and Uponor's cooling solutions.

Uponor continued to enhance its supply chain efficiency within building solutions by closing two warehouses, one in Eastern Europe and the other in the Nordic countries, and by moving to a new distribution centre in Spain. Despite the increase in production volumes in all but one factory, delivery reliability was according to plan during the reporting period.

Human resources and administration

In January-June, the number of Group full-time-equivalent employees in continuing operations averaged 3,203 (3,515), a reduction of 312 employees from the same period in 2009. At the end of the period, the Group had 3,272 (3,449) employees, a reduction of 177 from the end of the comparison period and 44 from the end of 2009.

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

Share capital and shares

Approximately 9.5 (10.8) million Uponor shares were traded on the Helsinki stock exchange during the second quarter. The total value of shares traded stood at EUR 119.0 (91.0) million. The market value of the share capital at the end of the period was EUR 0.9 (0.6) billion, and the number of shareholders was 22,288 (19,879).

There were no changes in Uponor's share capital. The share capital amounted to EUR 146,446,888 and the number of shares totalled 73,206,944.

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

The annual general meeting held on 17 March authorised the Board to resolve, within one year from the date of the meeting, to buy back the company's own shares using distributable earnings from unrestricted equity. The Board may buy back a maximum of 3.5 million shares, amounting in total to approximately 4.8 per cent of the total number of the shares of the corporation.

Events after the reporting period

In July, Uponor sold the premises of the factory that was closed in Hadsund, Denmark, last autumn. The transaction did not have a notable income impact.

Short-term outlook

The construction markets are expected to continue to grow during the second half of 2010, but it is likely that the growth will not be steady nor rapid. In the Nordic countries, the improvement in the infrastructure solutions market has clearly decelerated from last year due to the withdrawal of public recovery measures. This trend is expected to affect building solutions, too, as the abolishment of incentives introduced during the recession will reduce the willingness of consumers and businesses to invest.

Towards the end of 2010, growth in demand will be based mainly on the strengthening of economies recovering from the recession as well as a gradual revival in postponed housing demand. Meanwhile, the public and commercial building sector is not yet expected to pick up during 2010. As stated in our interim report for January–March, we expect this year to remain challenging.

Uponor's financial performance in the first half of 2010 demonstrates that the extensive development and restructuring programmes have clearly improved the company's profitability. Although the Group's main focus has shifted to promoting growth, including measures to modernise product and service offering and invest in marketing, Uponor will continue to implement a careful cost management policy as well.

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

Under these circumstances, Uponor maintains its full-year guidance: Uponor's net sales in 2010 are expected to remain level with 2009, and operating profit is expected to improve from last year's reported operating profit. The Group's fixed-asset investments are not expected to exceed depreciation, and efficient net working capital management measures will help maintain the Group's cash flow at a reasonable level.

Uponor Corporation
Board of Directors

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Information on the interim report

The figures in brackets in this interim report are the reference figures for the equivalent period in 2009. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

INTERIM REPORT JANUARY-JUNE 2010

The figures in this interim report are unaudited.

CONDENCED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-6/2010	1-6/2009	4-6/2010	4-6/2009	1-12/2009
Continuing operations					
Net sales	362.0	364.3	204.6	193.3	734.1
Cost of goods sold	222.5	232.7	123.9	121.6	463.0
Gross profit	139.5	131.6	80.7	71.7	271.1
Other operating income	1.1	0.3	0.5	0.3	4.2
Dispatching and warehousing expenses	14.9	15.3	7.4	7.5	32.4
Sales and marketing expenses	74.0	72.6	38.5	34.8	140.1
Administration expenses	23.6	24.6	12.3	13.3	45.0
Other operating expenses	7.8	8.0	4.2	4.0	16.6
Operating profit	20.3	11.4	18.8	12.4	41.2
Financial expenses, net	7.4	5.2	3.3	1.0	12.7
Profit before taxes	12.9	6.2	15.5	11.4	28.5
Income taxes	3.9	1.7	4.7	3.2	11.3
Profit for the period from continuing operations	9.0	4.5	10.8	8.2	17.2
Discontinued operations					
Profit for the period from discontinued operations	-0.9	-1.9	-0.5	-1.9	-5.7
Profit for the period	8.1	2.6	10.3	6.3	11.5
Other comprehensive income					
Translation differences	17.1	0.9	8.7	-1.7	2.4
Cash flow hedges	0.4	0.1	0.8	0.5	0.5
Net investment hedges	-6.3	-	-3.1	-	-
Other comprehensive income for the period	11.2	1.0	6.4	-1.2	2.9
Total comprehensive income for the period	19.3	3.6	16.7	5.1	14.4
Earnings per share, EUR	0.11	0.04	0.14	0.09	0.16
- Continuing operations	0.12	0.07	0.15	0.12	0.24
- Discontinued operations	-0.01	-0.03	-0.01	-0.03	-0.08
Diluted earnings per share, EUR	0.11	0.04	0.14	0.09	0.16
- Continuing operations	0.12	0.07	0.15	0.12	0.24
- Discontinued operations	-0.01	-0.03	-0.01	-0.03	-0.08

CONDENCED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	30.6.2010	30.6.2009	31.12.2009
Assets			
Non-current assets			
Property, plant and equipment	175.3	177.0	175.1
Intangible assets	99.7	100.1	101.5
Securities and long-term investments	8.4	7.8	7.5
Deferred tax assets	15.9	16.3	12.0
Total non-current assets	299.3	301.2	296.1
Current assets			
Inventories	90.4	86.7	74.3
Accounts receivable	147.8	140.7	88.2
Other receivables	13.8	22.7	26.8
Cash and cash equivalents	6.8	3.0	13.2
Total current assets	258.8	253.1	202.5
Total assets	558.1	554.3	498.6
Shareholders' equity and liabilities			
Shareholders' equity	240.8	247.1	258.0
Non-current liabilities			
Interest-bearing liabilities	59.6	72.1	60.2
Deferred tax liability	10.1	9.5	9.7
Provisions	5.7	6.9	5.7
Employee benefits and other liabilities	15.4	18.4	22.1
Total non-current liabilities	90.8	106.9	97.7
Current liabilities			
Interest-bearing liabilities	78.0	67.7	17.6
Provisions	7.1	12.0	12.7
Accounts payable	58.7	48.0	45.0
Other liabilities	82.7	72.6	67.6
Total current liabilities	226.5	200.3	142.9
Total shareholders' equity and liabilities	558.1	554.3	498.6

CONDENCED CONSOLIDATED STATEMENT OF CASH FLOW

MEUR	1-6/2010	1-6/2009	1-12/2009
Cash flow from operations			
Net cash from operations	28.2	22.9	65.7
Change in net working capital	-44.3	-9.3	25.9
Income taxes paid	-1.4	-14.3	-8.5
Interest paid	-1.9	-2.8	-5.2
Interest received	0.4	0.7	0.9
Cash flow from operations	-19.0	-2.8	78.8
Cash flow from investments			
Acquisition of subsidiary shares	-	-	-1.9
Purchase of fixed assets	-5.4	-8.9	-24.0
Proceeds from sales of fixed assets	2.8	1.5	7.3
Received dividends	0.0	0.0	0.2
Loan repayments	0.0	0.0	0.2
Cash flow from investments	-2.6	-7.4	-18.2
Cash flow from financing			
Borrowings and repayments of debt	52.6	23.0	-36.4
Dividends paid	-36.5	-62.1	-62.1
Payment of finance lease liabilities	-0.9	-1.0	-2.0
Cash flow from financing	15.2	-40.1	-100.5
Conversion differences for cash and cash equivalents	0.0	0.1	-0.1
Change in cash and cash equivalents	-6.4	-50.2	-40.0
Cash and cash equivalents at 1 January	13.2	53.2	53.2
Cash and cash equivalents at end of period	6.8	3.0	13.2
Changes according to balance sheet	-6.4	-50.2	-40.0

STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Share premium	Other reserves*	Trans-lation reserve	Treasury shares	Retained earnings	Total
Balance at 31 Dec 2009	146.4	50.2	1.3	-14.0	-1.2	75.3	258.0
Total comprehensive income for the period			-5.9	17.1		8.1	19.3
Dividend paid (EUR 0.50 per share)						-36.5	-36.5
Other adjustments			0.0			0.0	-
Balance at 30 June 2010	146.4	50.2	-4.6	3.1	-1.2	46.9	240.8
Balance at 31 Dec 2008	146.4	50.2	0.8	-16.4	-1.2	125.8	305.6
Total comprehensive income for the period			0.1	0.9		2.6	3.6
Dividend paid (EUR 0.85 per share)						-62.1	-62.1
Other adjustments			0.0			0.0	-
Balance at 30 June 2009	146.4	50.2	0.9	-15.5	-1.2	66.3	247.1

*) Includes a EUR –6.3m effective portion of the net investment hedge.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and IAS 34 Interim Financial Reporting. In its interim reports Uponor Group follows the same principles as in the annual financial statements for 2009, with the exception of the changes listed below.

Hedge accounting

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

Operating segments

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

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

The impact of these redefinitions on segment sizes is small.

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

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

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

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

MEUR	1-6/2010	1-6/2009	1-12/2009
Gross investment	5.4	8.9	27.4
- % of net sales	1.5	2.4	3.7
Depreciation	15.0	15.5	32.0
Write downs	-	-	0.5
Book value of disposed fixed assets	2.4	1.6	4.6

PERSONNEL

Converted to full time employees	1-6/2010	1-6/2009	1-12/2009
Average	3,203	3,515	3,426
At the end of the period	3,272	3,449	3,316

OWN SHARES	30.6.2010	30.6.2009	31.12.2009
Own shares held by the company, pcs	160,000	160,000	160,000
- of share capital, %	0.2 %	0.2 %	0.2 %
- of voting rights, %	0.2 %	0.2 %	0.2 %
Accounted par value of own shares held by the company, MEUR	0.3	0.3	0.3

SEGMENT INFORMATION

	1-6/2010			1-6/2009		
MEUR	External	Internal	Total	External	Internal	Total
Segment revenue, continuing operations						
Building Solutions - Europe	242.5	0.4	242.9	240.4	0.5	240.9
Building Solutions - North America	58.0	-	58.0	51.5	-	51.5
Infrastructure Solutions	61.5	3.0	64.5	72.4	1.8	74.2
Eliminations	-	-3.4	-3.4	-	-2.3	-2.3
Total	362.0	-	362.0	364.3	-	364.3

MEUR	External 4-6/2010	Internal 4-6/2010	Total 4-6/2010	External 4-6/2009	Internal 4-6/2009	Total 4-6/2009
Segment revenue, continuing operations						
Building Solutions - Europe	130.6	0.3	130.9	125.1	0.2	125.3
Building Solutions - North America	33.5	-	33.5	26.5	-	26.5
Infrastructure Solutions	40.5	2.1	42.6	41.7	1.1	42.8
Eliminations	-	-2.4	-2.4	-	-1.3	-1.3
Total	204.6	-	204.6	193.3	-	193.3

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

MEUR	1-6/2010	1-6/2009	4-6/2010	4-6/2009	1-12/2009
Segment result, continuing operations					
Building Solutions - Europe	25.4	14.0	16.4	10.7	32.6
Building Solutions - North America	0.2	-3.5	2.0	-0.3	3.9
Infrastructure Solutions	-0.9	6.4	3.1	5.9	14.2
Others	-4.6	-5.2	-2.7	-2.8	-9.3
Eliminations	0.2	-0.3	0.0	-1.1	-0.2
Total	20.3	11.4	18.8	12.4	41.2

MEUR	1-6/2010	1-6/2009	1-12/2009
Segment depreciation and impairments, continuing operations			
Building Solutions – Europe	6.4	7.5	16.2
Building Solutions - North America	3.3	3.1	6.1
Infrastructure Solutions	2.8	2.7	5.5
Others	2.2	2.0	4.1
Eliminations	0.3	0.2	0.6
Total	15.0	15.5	32.5
Segment investments, continuing operations			
Building Solutions – Europe	2.3	3.4	0.5
Building Solutions - North America	1.7	2.7	5.1
Infrastructure Solutions	1.3	1.7	20.1
Others	0.1	1.1	1.7
Total	5.4	8.9	27.4

MEUR	30.6.2010	30.6.2009	31.12.2009
Segment assets			
Building Solutions - Europe	407.9	406.1	393.0
Building Solutions - North America	141.2	113.3	118.1
Infrastructure Solutions	96.8	86.3	80.4
Others	461.1	493.3	509.9
Eliminations	-548.9	-544.7	-602.8
Total	558.1	554.3	498.6
Segment liabilities			
Building Solutions - Europe	285.0	271.3	281.3
Building Solutions - North America	84.5	69.0	69.7
Infrastructure Solutions	71.4	71.8	60.0
Others	446.8	461.7	451.2
Eliminations	-570.4	-566.6	-621.6
Total	317.3	307.2	240.6

	1-6/2010	1-6/2009	1-12/2009
Segment personnel, continuing operations, average			
Building Solutions - Europe	2,222	2,483	2,416
Building Solutions - North America	428	431	422
Infrastructure Solutions	493	539	527
Others	60	62	61
Total	3,203	3,515	3,426

Reconciliation

MEUR	1-6/2010	1-6/2009	1-12/2009
Segment result, continuing operations			
Segment results total	20.3	11.4	41.2
Financial expenses, net	-7.4	-5.2	-12.7
Group’s profit before taxes	12.9	6.2	28.5

CONTINGENT LIABILITIES

MEUR	30.6.2010	30.6.2009	31.12.2009
Group:			
Pledges			
- on own behalf	0.0	0.0	0.0
Mortgages			
- on own behalf	-	-	0.0
Guarantees			
- on own behalf	0.1	-	0.1
- on behalf of others	7.0	0.6	7.4
Parent company:			
Guarantees			
- on behalf of a subsidiary	10.6	9.0	10.0
- on behalf of others	6.9	6.9	6.9
OPERATING LEASE COMMITMENTS	30.6	31.0	30.1

DERIVATIVE CONTRACTS

MEUR	Nominal value 30.6.2010	Fair value 30.6.2010	Nominal value 30.6.2009	Fair value 30.6.2009	Nominal value 31.12.2009	Fair value 31.12.2009
Currency derivatives						
- Forward agreements	154.4	-5.4	90.0	0.5	115.1	-0.6
Commodity derivatives						
- Forward agreements	6.4	0.0	7.2	-1.2	7.2	-0.7

DISCONTINUED OPERATIONS

In 2010 and 2009, the discontinued operations include costs related to the Irish infrastructure business sold in 2008. These costs stem from soil cleaning operations started in 2008.

MEUR	1-6/2010	1-6/2009	1-12/2009
Expenses	0.9	1.9	5.7
Profit before taxes	-0.9	-1.9	-5.7
Income taxes	0.0	0.0	0.0
Profit after taxes	-0.9	-1.9	-5.7
Profit for the period from discontinued operations	-0.9	-1.9	-5.7
Cash flow from discontinued operations			
Cash flow from operations	-1.2	-2.4	-5.2

RELATED-PARTY TRANSACTIONS

MEUR	1-6/2010	1-6/2009	1-12/2009
Continuing operations			
Purchases from associated companies	0.7	0.8	1.7
Balances at the end of the period			
Accounts payables and other liabilities	0.1	0.1	0.0

KEY FIGURES

	1-6/2010	1-6/2009	1-12/2009
Earnings per share, EUR	0.11	0.04	0.16
- continuing operations	0.12	0.07	0.24
- discontinued operations	-0.01	-0.03	-0.08
Operating profit (continuing operations), %	5.6	3.1	5.6
Return on equity, % (p.a.)	6.5	1.9	4.1
Return on investment, % (p.a.)	9.0	4.1	8.1
Solvency ratio, %	43.2	44.6	51.8
Gearing, %	54.3	55.4	25.0
Net interest-bearing liabilities	130.8	136.8	64.6
Equity per share, EUR	3.30	3.38	3.53
- diluted	3.30	3.38	3.53
Trading price of shares			
- low, EUR	10.58	6.80	6.80
- high, EUR	15.66	10.34	15.10
- average, EUR	13.26	8.13	9.95
Shares traded			
- 1,000 pcs	19,711	23,743	45,815
- MEUR	261	193	456

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

$$= \frac{\text{Profit before taxes – taxes}}{\text{Shareholders' equity + minority interest, average}} \times 100$$

Return on Investment (ROI), %

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

Solvency, %

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

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity + minority interest}} \times 100$$

Net interest-bearing liabilities

= Interest-bearing liabilities – cash, bank receivables and financial assets

Earnings per share (EPS)

$$= \frac{\text{Profit for the period}}{\text{Number of shares adjusted for share issue in financial period excluding treasury shares}}$$

Equity per share ratio

$$= \frac{\text{Shareholders' equity}}{\text{Average number of shares adjusted for share issue at end of year}}$$

Average share price

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