

Uponor



Planned merger of Uponor and KWH Group infrastructure businesses

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The transaction - summary

- Uponor and KWH Group announce a merger of their infrastructure businesses, comprising Uponor's Infrastructure Solutions and KWH Pipe Ltd
- The plan is to establish a joint venture company that, once completed, will comprise all the infrastructure-related business of both owners
- The new company, Uponor Infra Oy, to become a subsidiary of Uponor Corporation with a 55.3% holding
 - KWH Group to remain minority owner with a 44.7% holding
- The transaction is subject to the approvals of the Competition Authorities
- The related personnel of both companies will transfer to the new company as old employees

The business logic of the transaction

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- The industry landscape in the infrastructure business segment in Finland and other Nordic markets has changed significantly
 - Demand has suffered as a result of the prolonged global financial crisis
 - Increase in the amount of international and specialised domestic producers highlights the importance of product optimisation and effective logistics in order to compete effectively on these markets
- Uponor and KWH have now jointly wanted to contribute to the situation at hand and will establish a new structure that aims at a more optimal capacity utilisation and a profitable development of the infrastructure business in the future through efficiencies from the combination

The business logic of the transaction cont'd



- Two companies with a Nordic background and an extensive international experience in competitive global infrastructure markets
- Reliable and innovative track record of more than 100 years in the infrastructure business combined
- Commitment and strong mutual interest of both owners to stay in business and develop it further
- Together we are stronger to meet the needs of tomorrow
- Joining Uponor Corporation, KWH Pipe will become a part of a bigger player in the pipe industry, hence benefits in economies of scale can be achieved

Strong, focussed player to bring benefits to customers



- The new company will focus on the construction industry, municipalities, energy companies and industry as its key customer segments
- Commitment to solving the customers' infrastructure needs with a focus on long-term partnerships, low total cost of ownership and creating sustainable environments
- Specialised manufacturer with
 - Strong infrastructure-related product & systems know-how
 - Competitive and broad offering to meet the customers' needs
 - Personnel specialised in infrastructure solutions and committed to solving customer needs
 - Strong product development skills
 - Larger size will enable increased cost efficiency and synergies in operations

Description of transaction

- Uponor will transfer its current infrastructure and building solutions businesses into separate companies in those countries where they are now housed in the same legal entity
- The new Uponor infrastructure companies and present KWH Pipe companies will together compose the new joint venture Uponor Infra Oy
- The new company will have a Board of Directors of its own (2+2), with Chairman from Uponor
 - The Board will nominate the Managing Director
- As part of this deal, Uponor will also acquire the PEX related pipe production and business of KWH Pipe as a business transfer and integrate it into Uponor BLD business



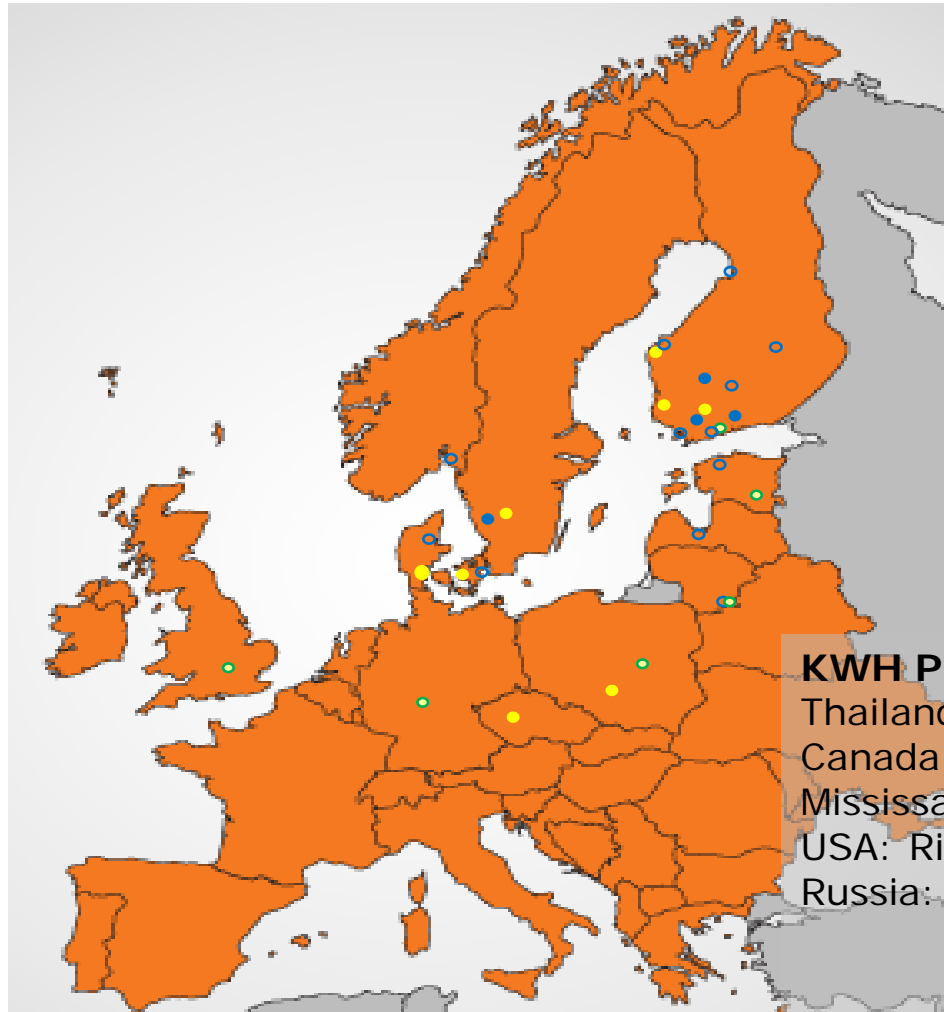
Businesses in numbers

Based on 2011 data	Uponor Infrastructure Solutions segment	KWH Pipe
Net sales, €	150m	234m
EBITDA, €	3.8m	7.4m
Balance sheet total, €	83.0m	169.0m
Employees (avg.)	516	1,238
Number of production sites (small prefabrication sites not included)	Finland (3), Sweden (1)	Finland (3), Denmark (2) Sweden (1), Poland (1) Czech (1), Canada (2) Thailand (1)
Sales offices	Denmark, Norway, Baltics	Estonia, Germany, Lithuania, Russia, UK, USA

- Net debt of Uponor Group is expected to increase by ca €35 million at the completion of the transaction
- No material impact on Uponor's gearing or solvency ratio

Uponor and KWH Pipe main infrastructure sites

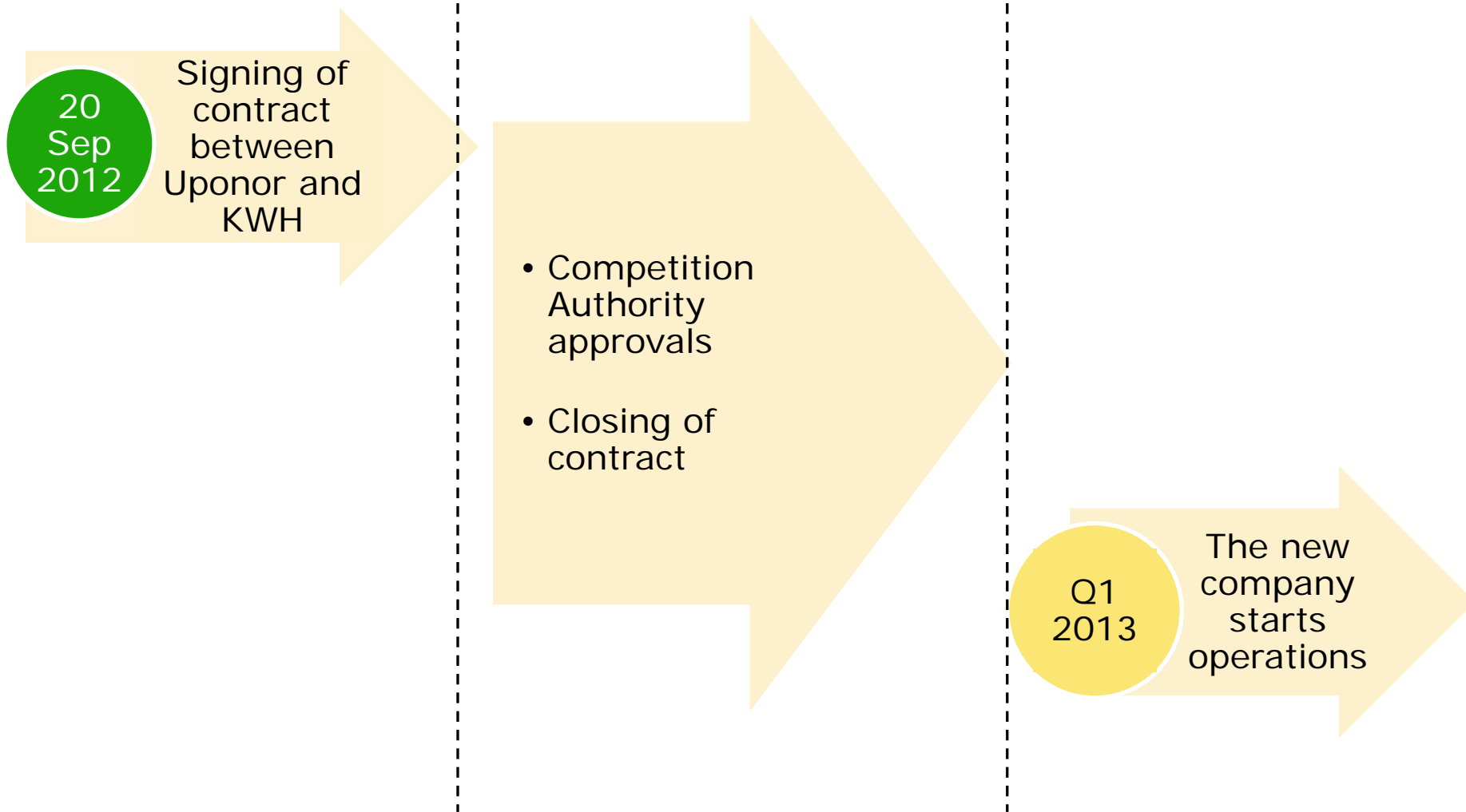
- Uponor, manufacturing
- Uponor, sales
- KWH Pipe, manufacturing
- KWH Pipe, sales



KWH Pipe locations outside Europe

- Thailand: Bangkok ○, Rayong (Amata City) ●
- Canada: Huntsville ●, Saskatoon ●;
- Mississauga ○, Montreal ○, Vancouver ○
- USA: Riverside, California ○
- Russia: St. Petersburg ○, Yekaterinburg ○

Timeline



Basic facts: Uponor Infrastructure

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- Uponor infrastructure operations started in the mid-1960s
- Early 1980s, Uponor carries out a series of acquisitions and expands operations first across Scandinavia and later to central and southern Europe as well as North and South America (late 80s/early 90s)
- After the millennium, as part of global business restructuring and focus, Uponor exits from the infrastructure business outside of Northern Europe
- Uponor's largest business today is Building Solutions (building heating/cooling, tap water), the focus of operations being on Europe and North America
- Uponor is listed on the Nasdaq OMX Helsinki stock exchange



Basic facts: KWH Pipe

- The pipe business in the KWH Group started in the mid-1950s
- Today, KWH Pipe is an international plastic pipe expert operating in Europe, Asia and North America
- KWH Pipe develops, manufactures, and markets complete plastic pipe systems for industrial, infrastructure and building applications, environmental products, pre-insulated pipe systems and special machinery and production technology
- Part of the family-owned KWH Group

