



Acquisition of AEES

Investor presentation

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President & CEO

Acquisition of AEES

PKC becomes a leading wiring harness supplier **PKC GROUP**

- PKC Group (“PKC”) has today signed an agreement for the purchase of shares in AEES companies (“AEES”)
- AEES is one of the leading North American wiring harness manufacturers for heavy and medium duty trucks and it also has a significant position in light and recreational vehicle wiring harnesses
- Combining AEES and PKC will create a first-class global wiring harness manufacturer for trucks, serving the six leading Western heavy and medium duty truck groups in the market
- Through the AEES acquisition PKC will also enter the high volume automotive industry in North America and Brazil
- In addition, AEES offers PKC an opportunity to expand its product and service offering e.g. via manufacturing of components and wires
- The acquisition strengthens and expands PKC’s wiring harness business to a level that meets the future necessities of its global clientele
- AEES will be consolidated to PKC as of closing and reported under PKC’s wiring harness business segment

Purchase price and financing

- Total purchase price, free of net debt :
 - Cash consideration of €109 million
 - Share consideration of 1.25 million newly issued PKC shares
- Financing mainly through long-term credit facility agreement
 - New long-term credit facility arrangement negotiated and fully committed
 - Directed new share issue of 1.25 million shares to the vendors
 - Share consideration based upon the authorisation received from AGM in March 2011

Transaction rationale & strategic fit

Key items supporting the acquisition of AEES from PKC's point of view

Create leading wiring system supplier for heavy truck industry

- PKC, one of the leading wiring harness suppliers for heavy trucks in Europe and South America, will become a significant global player
- Enhanced geographic footprint and global service offering support the combined entity's ability to strengthen its market position and customer base

Access to new customer base and product segments

- Highly complementary customer portfolio in heavy trucks - access to new North American accounts creates a unique customer base in the world
- Expansion into entirely new customer and product segments

Economies of scale and synergy potential

- Accelerated sales growth through cross-selling opportunities and global footprint
- Strong purchasing power due to combined sourcing and volumes
- Streamlining of organisation and production network

Combined PKC and AEES have a long term business opportunity and platform for future growth

Acquisition of AEES

AEES at a glance

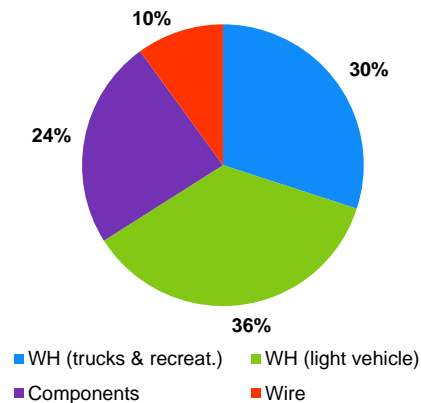
Overview

- One of the leading North American wire harness provider for heavy and medium duty trucks
- Significant North American presence also in light and recreational vehicle harnesses
- In addition, AEES produces components and wire solutions – offered mainly to tier-one suppliers, but utilized also internally
- Operations in four different countries (USA, Mexico, Brazil and Ireland) with almost all production facilities located in low cost countries
- Major customers include e.g. Continental, Daimler Trucks North America, Ford, General Motors, Harley Davidson, Lear, Navistar and PACCAR
- Acquired by Platinum Equity (private equity firm) from Alcoa in May 2009
- Net sales 2010 of EUR 454 million and around 13,800 employees as per 30 June 2011

Note: USD/EUR exchange rate average for a given period.

Net sales by product area

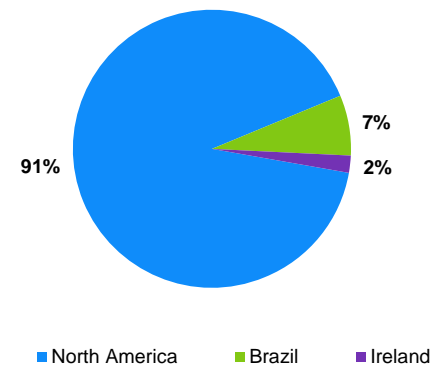
Total net sales 2010: EUR 454 million



- Wiring harness operations generate around two-thirds of AEES' net sales
- Components and wire operations stand for around 35 per cent of total net sales

Net sales by geography

Total net sales 2010: EUR 454 million



- NA is by far the largest region in terms of net sales (by customer end location)
- Global expansion together with existing customers a growth opportunity

Key financials of AEES

Expected growth in profitability

- AEES has the past years successfully implemented a comprehensive rationalisation programme to enhance the company's overall efficiency and competitiveness
- Costs related to the rationalisation programme have burdened the 2010 and H1/2011 profitability
- A clear majority of the rationalisation costs for 2011 have already been booked in H1/2011
- Above-mentioned actions, in combination with a rebounding market environment, ensure growth in profitability going forward

Key financials

AEES GROUP, €m	1-6/2011	1-12/2010
Profit and loss		
Net sales	265.7	454.0
EBITDA (excl. rationalisation costs)	13.4	14.7
<i>% of net sales</i>	5.0%	3.2%
EBITDA (reported)	5.1	(4.8)
<i>% of net sales</i>	1.9%	(1.1%)
Balance sheet		
Fixed assets	26.1	25.7
Net working capital	43.3	37.4

Note: Financials as per US GAAP. USD/EUR exchange rate average for a given period. Balance sheet items converted at rate of the balance sheet date.

AEES' product portfolio

Wiring harness

Full service capabilities:

- Design engineering
- Program management
- Launch support
- Manufacturing
- Testing

Design strategies:

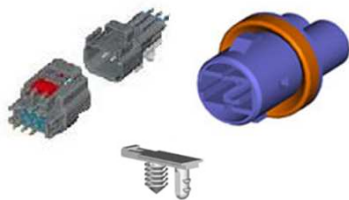
- Build to print
- Base/ overlay
- Multiplex
- Black box



Components

Connectors

- Sealed blade connectors
- Unsealed blade connectors
- Co-injection moulding
- Insert moulding
- Plastic medical components
- Modular components
- Harness and connector retainers
- Telecommunications components



Precision Metal Stamping

- High speed precision stamped parts for the automotive industry through grand traverse stamping
- Product lines include complex component parts for automotive electrical distribution systems



Junction Boxes

- Product line consists of automotive EMI/RFI filter mechanisms, electrical distribution and fuse centre assemblies and vehicle electrical harness connection system components



Wire

Dixie Wire

- PVC insulated wire
- XLPE insulated wire
- Other insulated and non-insulated wire products (including battery cable and multi-conductor trailer cables)
- Convolute (convoluted tubing)



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AEES and PKC locations

A comprehensive footprint allows global service offering

Wiring harness

- Nogales, Mexico
- Green Valley, Arizona
- Kempele, Finland (HQ)
- Keila & Haapsalu, Estonia
- Kostomuksha, Russia
- Barchfeld, Germany
- Starachowice, Poland
- Sosnowiec, Poland
- Mukachewo, Ukraine
- Curitiba, Brazil
- São Bento do Sul, Brazil
- Acuna, Mexico
- Piedras Negras, Mexico
- Torreon, Mexico
- Sao Paolo, Brazil
- Itajuba, Brazil
- Dallas, Texas
- Farmington Hills, Michigan (HQ)
- Jeffersonstown, Kentucky
- Kirkland, Washington
- Portland, Oregon
- San Antonio, Texas

Other segments

Components Business:

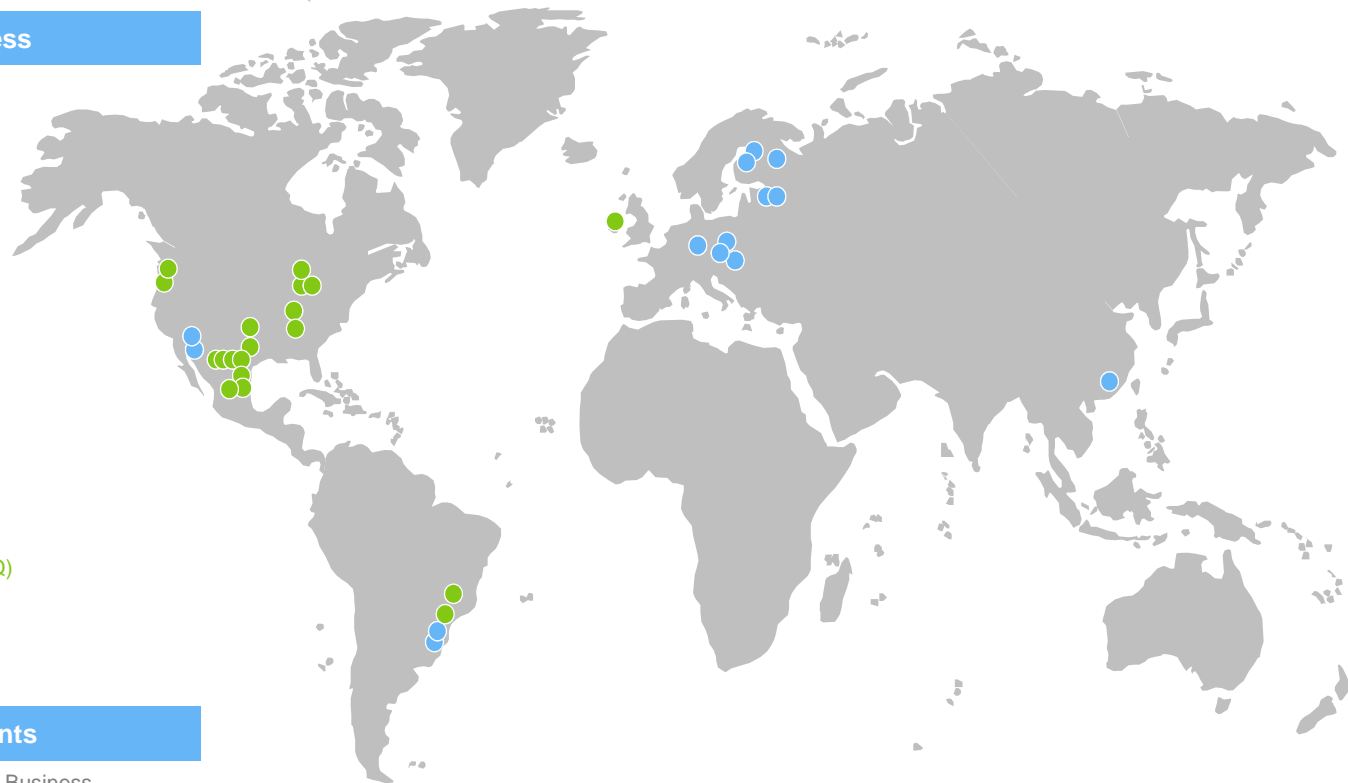
- Mattawan, Michigan
- Traverse City, Michigan
- Juarez, Mexico
- Torreon, Mexico
- Dundalk, Ireland

Wire Business

- Nashville, Tennessee
- Acuna, Mexico

Electronics

- Raahe, Finland
- Suzhou, China
- Kostomuksha, Russia

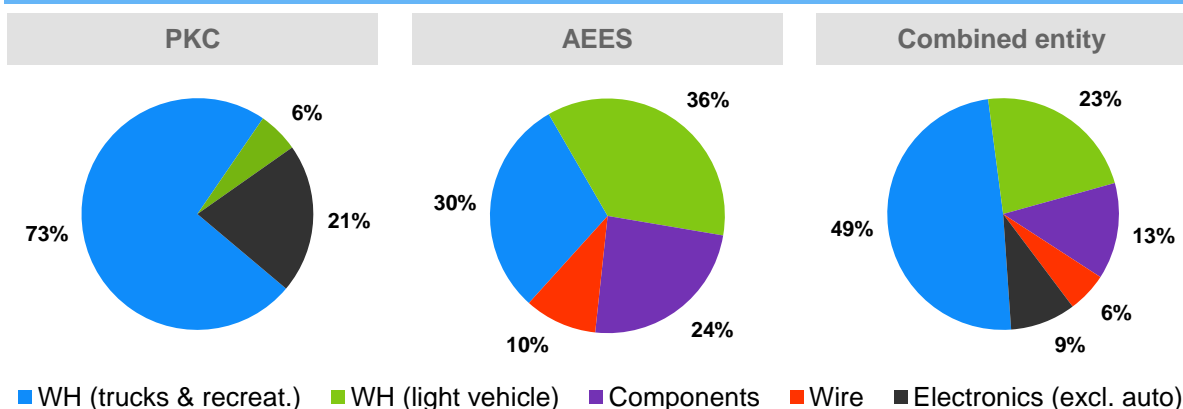


Blue: PKC
Green: AEES

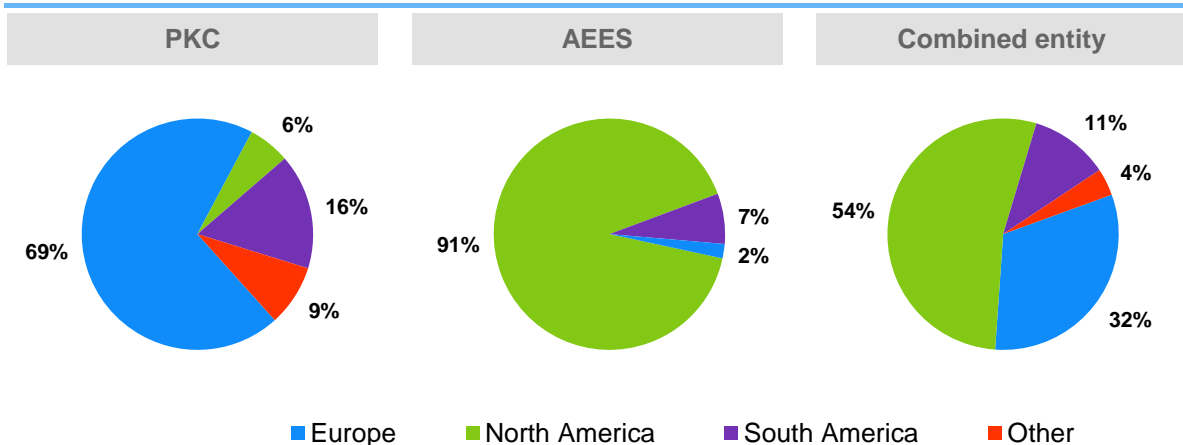
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Combined entity sales split 2010

Net sales by product line



Net sales by geography



Note: Financials excluding intra group items and adjusted for SEGU acquisition. USD/EUR exchange rate average for 2010.

Comments

- Wiring harnesses is the main operating segment with slightly more than 70% of the combined entity's net sales
- Wires, components and electronics combined generate just under 30%

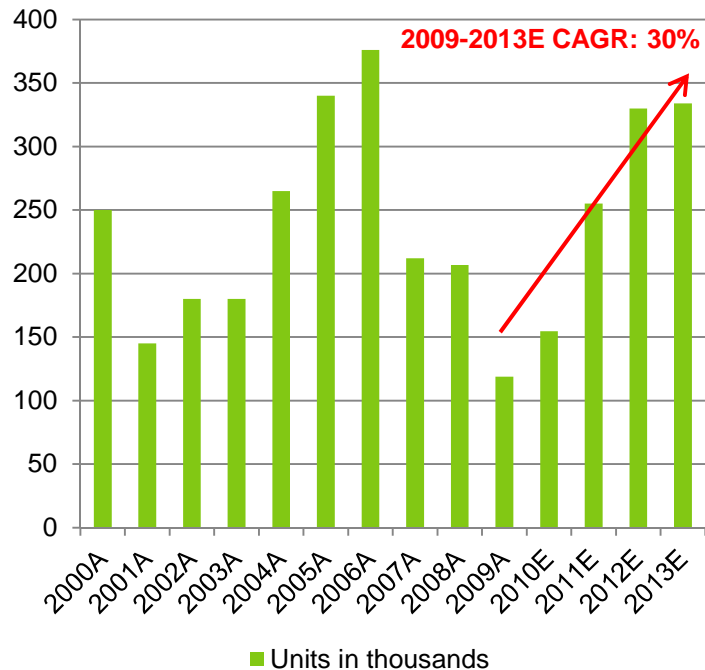
Comments

- A more balanced geographic breakdown compared to the stand-alone companies before transaction
- North America generates more than half of the combined net sales, rest of the world responsible for some 45%

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Strong underlying market

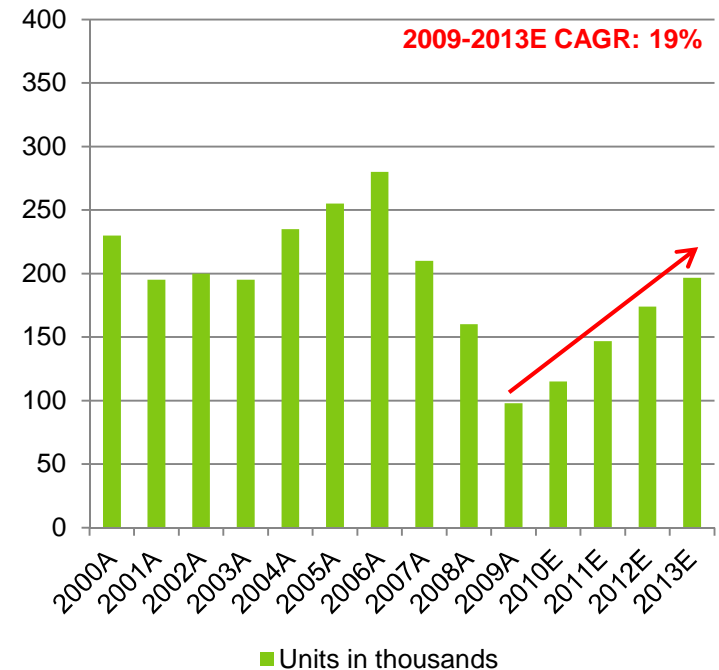
North American heavy truck production



- Record 2006 production was driven by pre-emission buys and followed by a natural market decline
- Low production volumes in 2009-2010 due to limited economical visibility
- Sharp recovery expected in the near future as fleet ages highest in decades

Source: J.D. Power and A.C.T Research.

North American medium duty production



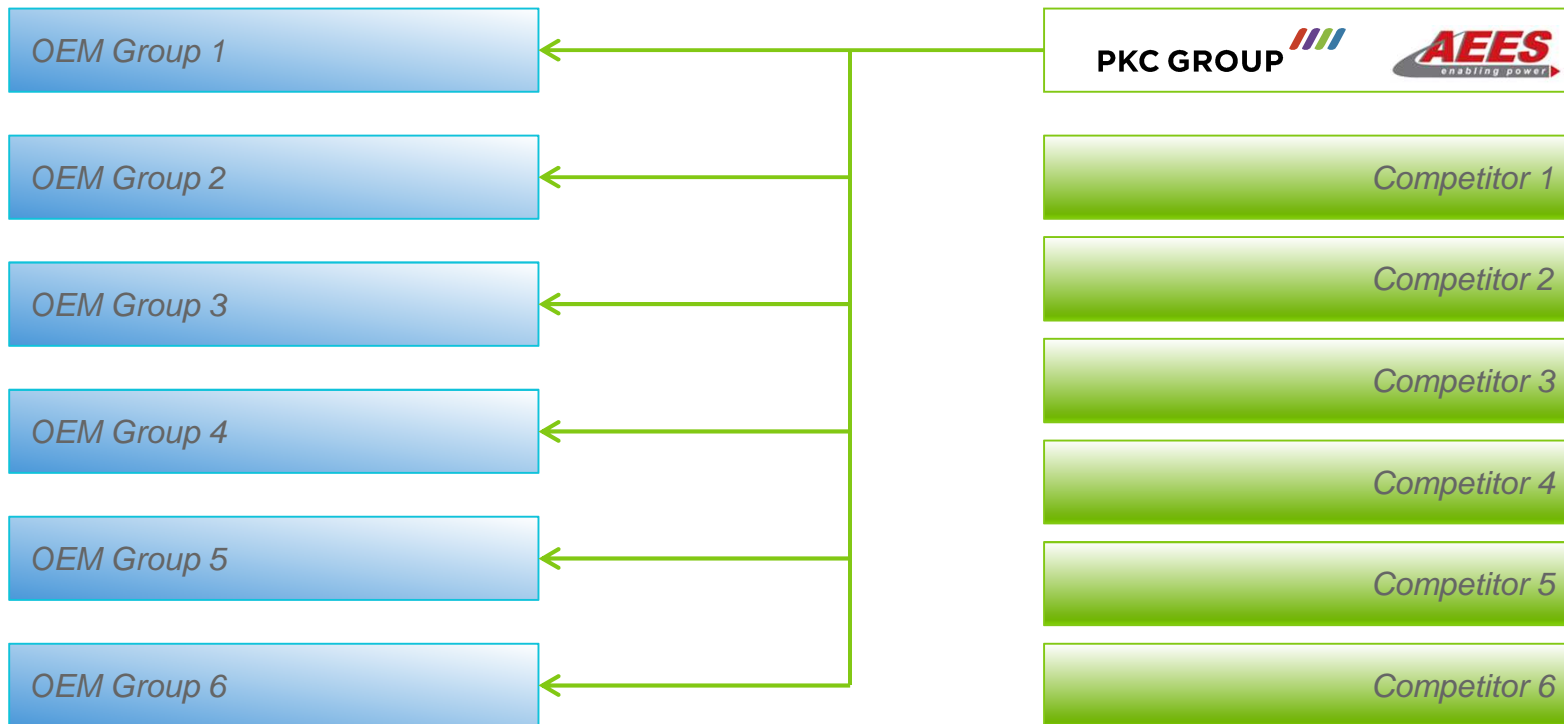
- Also the medium duty market declined rapidly in 2008-2009 caused by free-fall in housing market
- Healthy market growth ahead as inter-city deliveries pick-up with economical activity

Acquisition of AEES

Unique customer portfolio



Post acquisition, supplier to all the six leading Western truck OEM groups



- Acquisition of AEES provides PKC with access to some of the leading truck OEM accounts in North America, i.e. Daimler Trucks, Navistar and PACCAR
- Unique position achieved, as no other competitor supplies wiring harnesses to all of the six leading Western customer accounts

Note: OEM groups in alphabetical order. Including both heavy and medium duty truck groups.

Summary highlights and details

Unique opportunity for PKC

- AEES offers an ideal strategic fit for PKC with complementary geographic presence and customer base
- A leading, global heavy truck wiring harness supplier, with unique customer portfolio, is formed
- Expansion into entirely new customer segments (light vehicles) and new product segments (components & wires)
- Opportunity to attain critical size and capabilities to serve customers with broader product and service offering
- The transaction brings benefits to our customers and employees as well as offers value-creation potential for our owners

Other transaction details

- Closing of the transaction is subject to customary conditions, including approvals from competition authorities and is expected to take place on 1 October 2011
- AEES will be consolidated to PKC from time of closing
- The acquisition is not expected to have a significant effect on PKC's 2011 result

PKC GROUP 

Thank You!

www.pkcgroup.com
