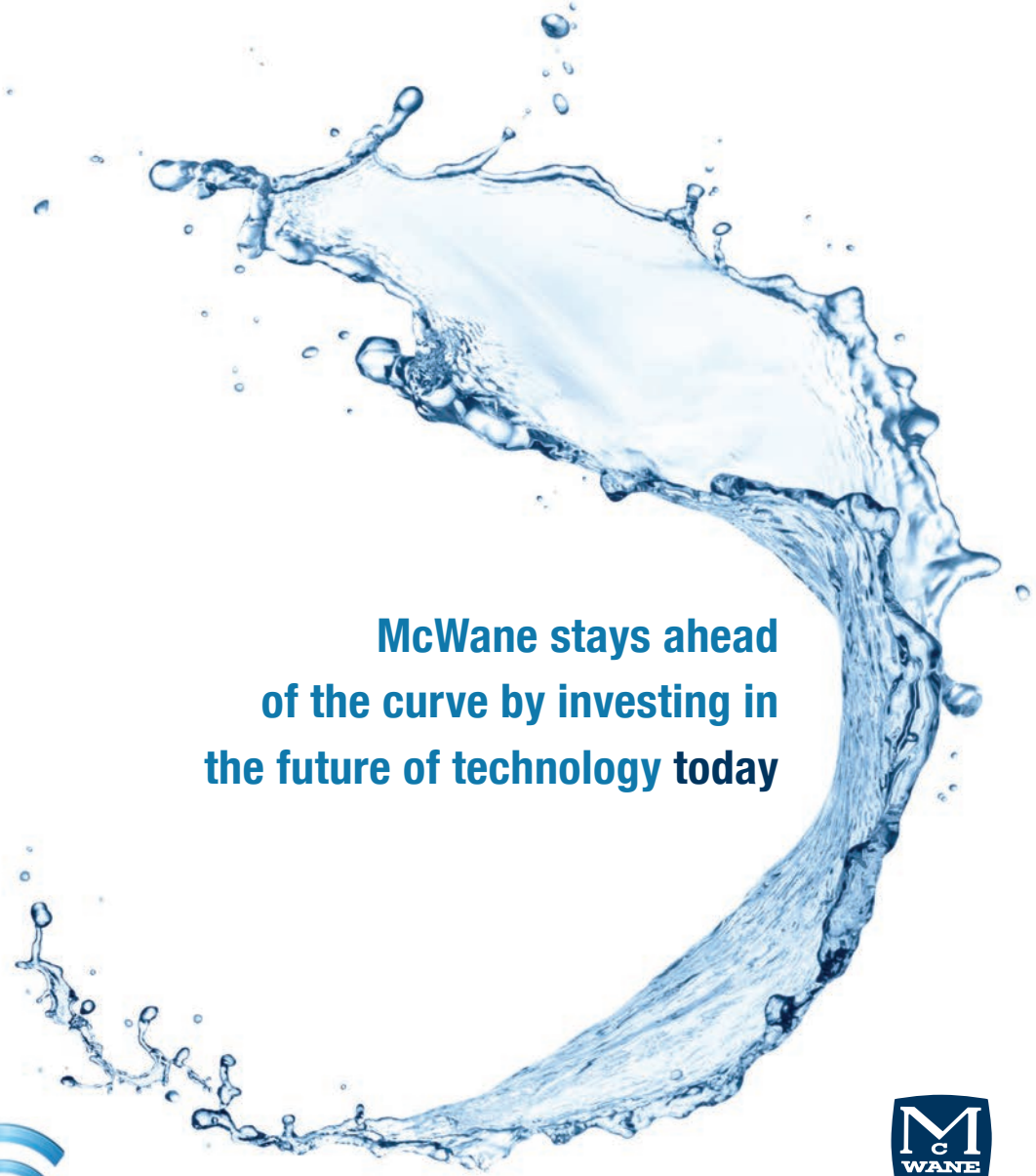


McWANE

DELIVERING WATER TO THE WORLD THROUGH INNOVATION • 2012-2013



McWane stays ahead
of the curve by investing in
the future of technology today



For Generations



#McWANE'S BRIGHTFUTURE

G. RUFFNER PAGE, JR. PRESIDENT, McWANE

Looking ahead, McWane will continue to produce the durable infrastructure and tools our society requires—be it ductile iron or digital information architectures. As the future is being built, McWane will be helping to build it. In the last year, we completed four key acquisitions that will further help position McWane to grow with the future and begun development of a green field operation in the Middle East.

What does growth mean to us at McWane? Growth creates both opportunities and risks for our business. New opportunities create new work, additional products, growing sales but also risks over-extending resources and compliance, or financial setbacks.

Many academic “experts” promote what I think are false hypotheses of why, how and where growth comes from. The typical buzzwords include: visionary management, charismatic leaders, cost superiority through outsourcing or best talent. These terms don’t accurately describe what successful growth demands.

The most important requirement is that each of us be willing to LEARN new things and allocate the time to do so. The elements required for consistent growth amount to a simple game plan, something any of us could describe to a stranger on an elevator in two minutes or less.

WE NEED

- A culture of constant learning and improvement
- High team member engagement, loyalty, and productivity
- Humble, yet passionate leadership
- Leaders that promote accountability and desired behaviors

Every Team Member should look for opportunities that help continue LEARNING inside and outside of McWane. For myself, I have enrolled in a free online class, “Growing A Business.” But any topic that is relevant to what you are interested in and what contributes to your understanding of life and work is worthy of time and effort. Reading a magazine or book on a new topic you aren’t already familiar with helps, too.

One of the ways we are innovating internally is ENGAGING TEAM MEMBERS in the newest partnership between Safety and Human Resources groups. Barb Wisniewski and Kevin Stouse are forming processes to review incident investigations, comparing ergonomically efficient safety solutions across operations and developing Physical Demand Analysis for jobs. It is an innovative merger of

inter-company disciplines that also incorporates Leon McCullough’s new SafeStart ideas. Clearly, future solutions for corrective action will involve both Human Resources and Health & Safety professionals working closely together during the fact finding and corrective action planning steps. Team Members should help take us to the next level by sharing their thoughts with supervisors or EHS/HR professionals that will help put new ideas into motion.

HUMBLE LEADERSHIP starts with a service to the team mind set. Considering the transformation our organization has experienced in the last decade, we know all of us can benefit by learning new things from each other. No one has all the experience or information. So whether you are a leader of a team, front line supervisor, department manager, plant manager, general manager, group manager or president of the company, we all need the support and help from the people all around us. We are most successful together.

There are two new books that I recommend reading. “Antifragile: Things That Gain From Disorder” and “Lean Startup,” which both describe how to EXECUTE and grow by engaging in small projects that develop new products or more efficient operations in small steps. First, develop a pilot project that has only a minimally viable product or process—and then test it to see if the customer likes it, refining it over and over again if need be. This approach takes much less front-end time and risky investment, while accelerating our ability to try new things. Overly complex solutions often get bogged down during implementation, take too long to test and often are inconclusive. If there is a simple solution, it is easier to implement quickly and usually has broader application. We all should treat each change in an operation with the care we would a start up. As we make these small pilot tests the norm, our plants, businesses and systems will become more robust and able to withstand unexpected shocks: will be more Antifragile.

We will continue to produce the best by being our best—doing what is best for our customers and communities alike. We will continue designing and building the most environmentally- and customer-friendly solutions on the market. We will continue to expect the best from each other, seeking ideas and insight from the most junior team member to the most senior. We will never be satisfied with anything less. We have led for generations. We will continue to lead for generations. We are McWane. ▲

INNOVATION OFTEN INCLUDES ACQUISITION

McWANE SEEKING LEADING EDGE TECHNOLOGY



Modernization at McWane means new technologies, safer facilities, better products and cleaner environments. It also means new markets and synergies, so we've been busy acquiring promising technology over the last year.

Wireless control and monitoring technology. Radio frequency and cellular applications. Mobile networks infrastructure. From South Korea to Alabama, we've been scouting the world for the future—and it's looking bright for McWane.

Our strategy has focused on leveraging our growing global networks to tap opportunity wherever it exists. We know value when we see it—the proof is in our growth here at home and our impressive groups working beneath the global McWane banner today.

In the last year, we moved to invest in outstanding management teams, business innovators and technology leaders seeking a long-term, value-added partner. Just like our foundry business, our fittings business, our fire suppression business, and every other market we're in, we believe that value is created through profitable growth and the best value for our customers and our communities.

McWane's Technology Group is working hard to build market leaders in software and technology along with other markets in order to stay on top of the competition long into the new century.



Comtech is a broadband convergence network leader based in one of the most high-tech nations on earth: South Korea. In our increasingly wireless, increasingly mobile world, where bandwidth is king, Comtech occupies a prime market perch. The maker of wireless repeaters, including optical and RF repeaters, Comtech's experienced management team is committed to developing the best IT, open architecture service solutions and technology R&D that Korea and the world has to offer.



Futurecom is the market leader for P25 compliant digital vehicular repeaters—and the only company to offer a product of this kind—and maker of a wide selection of fixed and mobile RF extension products distinguished by their high power interoperability and stringent standards. What's more, Futurecom does it with some of

the most efficient manufacturing processes in its market with one of the most seasoned staffs around. The Canadian company, based in Ontario, has dedicated more than 20 years to providing best in class solutions for public safety radio coverage problems around the world and to meet the challenges of first responders. It's this commitment that makes Futurecom an easy match for Team McWane.



Intelligent and wireless monitoring and control systems via patented SNAP network operating system technology that operates securely and effectively over the Internet. Welcome to Alabama's own Synapse, which can help anyone from a local government to a hospital to a large industrial concern maximize efficiency and minimize maintenance—all remotely. We're fans, obviously, but so too is everyone who has used Synapse's complete systems solutions. "We believe SNAP is the best software standard for Personal Area Networks," said Richard Trueman, senior product manager for Panasonic Industrial Company. Synapse's SNAP architecture provides an open source application environment with the ability to run nearly every RF network layer. If you can understand that, then you already know what we do: Synapse is about the future. Synapse's customer forum, more than 2,000 members strong and growing, is a key part of the company's client-facing focus on delivering the goods.



A leading wireless smart grid solutions provider, Texas' own Nighthawk offers "Total Control" to its customers. Nighthawk's innovative solutions addresses the challenges facing domestic and international utilities and energy companies by matching intelligent devices, secure cloud applications and wireless connectivity for centralized, on-demand management of all manner of systems assets and processes—including utility industry applications, remotely powering and rebooting devices, activating and monitoring alarms and controlling back-up generation. As smart grids continue to be developed and expanded, and as customers and providers alike demand more control and instant feedback, Nighthawk is poised to seize ever-larger shares of the market. ▲

McWANE'S 2012 POLLUTION PREVENTION CHALLENGE / P2C



Sometimes, the best way to cut down on waste is to avoid wasting anything in the first place. It's this spirit that infuses the McWane Environmental Group's Pollution Prevention Challenge – aka the P2C. Held this past December, the 2nd annual P2C had scores of teams from facilities across the company fiercely thinking about ways they could prevent pollution by eliminating, reducing, recycling or reusing materials and natural resources.

Out of 42 total project entries received by the November deadline, 22 advanced to the judging round, where a panel of four independent evaluators (Kristin Belcredi–Keramida, Sarah Burton–TRC, Dan Oman–Haley and Aldridge and Carter Webb–ESCO) winnowed the field to 10 finalists. The finalists presented their projects and the judges were blown away. Sadly, only three teams could be awarded top prizes—but so much spirit and innovation was on display that the judges recommended awarding three additional prizes, to further encourage pollution prevention thinking across the McWane family of companies.

The Winning Entry from Atlantic States Cast Iron Pipe Co. was as simple as its title suggests: bell and spigot plugs. By placing plugs in the bell and spigot ends of pipe during the cement lining process, the Atlantic States team was able to keep the cement mixture inside the pipes without having to add extra cement during the spin. This cut down a lot on waste—about 80 percent, or 13,000 tons—and allowed for a more economical sand/cement blend that produced

further efficiencies. All told, a simple idea like plugs for pipe in the cement lining process led to savings of \$485,000 a year!

Additional prizes were created to honor the other innovative, simple and low cost solutions devised by teams, which produced small but important environmental benefits. As many of the 22 projects submitted met these criteria, selecting three turned into a bit of a tough task. Soon enough, the winners of the additional "Why Didn't I Think of That!" prizes, and the accompanying \$100 awards, were announced too.

The achievements sparked by P2C aren't merely academic. The projected annual cost savings for the top 10 finalists' projects is estimated at nearly \$1 million! ▲

POLLUTION PREVENTION WINNERS

1st Place
Atlantic States Cast Iron Pipe Company
Bell and Spigot Plugs
(\$1,000 per team member)

2nd Place
Clow Valve, Oskaloosa
Elimination of Cooling Water
(\$500 per team member)

3rd Place
Kennedy Valve
Lighting System Upgrade
(\$250 per team member)



GREENWOOD PARK

A BLEND OF NATURE AND COMMUNITY IS FULLY REALIZED



In the last year McWane celebrated the transformation of a once vacant, dusty lot into a dynamic green space for the residents of Birmingham, and Mother Nature, to enjoy.

A long time in the planning, Greenwood Park is the culmination of a lot of dreams and dedication by the McWane Team. Where once stood a 34-acre tract of weeds, now lies a vibrant park that provides recreation and fun for the entire community.

At one time, the land held rows of single-family homes and apartment buildings, but because of constant flooding and noisy aircraft, the city relocated the community. Buildings were demolished and the area swiftly deteriorated. To McWane, this was the ideal loca-

tion to create a beautiful park. Working closely with a wide coalition of groups, including the EPA, Birmingham’s Parks and Recreation Board, the Birmingham Airport Authority, the Federal Aviation Administration, the U.S. Army Corps of Engineers, and several neighborhood groups, McWane left no stone unturned to build the best possible park for Birmingham.

On November 17, 2012, city leaders, neighbors, and McWane representatives unveiled Greenwood Park with a ribbon cutting ceremony. It was the joyous culmination of months and years of planning, and work. The park has all the right stuff: a playground, picnic shelter, two basketball courts, and a large field that can be used

for baseball, football or soccer games. There are restrooms, parking spaces and a 3,600-foot-long walking trail that encourages visitors to pay attention to the park’s delicate ecology. Because we want Greenwood to represent the best qualities of McWane—durability, safety and respect for the environment, the park features an innovative bio-remediation facility that naturally collects and filters contaminated rainwater before it enters Village Creek.

Community leaders know the water quality isn’t all that has improved since Greenwood opened. Quality of life is improving too.

“They have the ball fields and the courts where they can play and they have the walking trails,” said Birmingham City Councilwoman Maxine Parker. “This will encourage our youth and seniors to get outdoors and be more active.”

The idea for Greenwood Park came after a settlement was reached in United States, et al. vs. McWane, Inc. McWane requested that a portion of any fine be redirected into the city of Birmingham through the Environmental Protection Agency’s (EPA) Supplemental Environmental Projects program. McWane worked with the Birmingham Community Advisory Panel, Clarus Consulting Group, and a group of volunteer citizens to come up with a list of potential park locations and how best to develop the park. It’s this commitment to team work and community that makes Greenwood such a success—and McWane is proud to be part of this process. ▲



Bike path and walking trail at Greenwood Park



Foot bridge at Greenwood Park



Ribbon cutting ceremony and grand opening of Greenwood Park, November 17, 2012
L-R: Rev. Ronald Deramus (former Greenwood resident), Wendy Jackson (Freshwater Land Trust), Phillip McWane, Valerie Abbott (City Councilor, District 3), Maxine Parker (City Councilor, District 4), Ruffner Page, Birmingham Mayor William Bell and Sterling Fields (President, East Birmingham Neighborhood Association)



Project GenX Team

PROJECT GenX THE NEXT LEVEL

With a title worthy of a Sci-Fi blockbuster, you know something next level is probably afoot with Project GenX.

Project GenX is McWane’s newest software architecture conversion, spanning geography and business groups to deliver efficiency company-wide. This massive software conversion project is the latest milestone in McWane’s phenomenal growth from a humble little foundry in the last century to the high-tech leader of its industry in the new century.

Using Microsoft Dynamics AX 2012, a powerful and state-of-the-art software suite, we will be able to coordinate virtually all reporting areas of business operations. Project GenX has drawn together some 65 team members from McWane’s Valve & Hydrant, Waterworks and Plumbing divisions—and the helping hand of mcaConnect, a consulting firm. Soon, we will meet our goal of implementing a single instance of Dynamics AX 2012 to support each of our divisions.

The McWane team is led by Charlie Nowlin from the corporate office; John Springer, Project Manager and Controller, Tyler Pipe; and Gwen Jackson, Technical Lead and M.I.S. Manager,

Tyler Pipe Company.

The various Project GenX crews are handling a huge cache of data and responsibilities. They met for two weeks in January 2013 to perform final testing and followed that with several weeks of end-user training. As with any massive technical operation, there are occasionally bugs—and committing real time to testing and training is the best way to flush out and fix every last bug.

Tyler/Union will be the first division to go live on the new system in March, according to our aggressive timetable. Following that will be installations at Tyler Pipe, M & H Valve, and American R/D in June. A third phase will see AB&I Foundry and Kennedy Valve go live with the software in September. Finally, Clow Valve, Clow Canada, and Canada Pipe will go online with the new software system in November.

It may look easy and hassle-free from the outside—but any tech guru will tell you that achieving such simple-seeming perfection on the outside requires countless hours of coding, patching, fixing and digital elbow grease on the inside. Great job team—Project GenX is nearly complete! ▲

THE 2012 McWANE ERGO CUP IDEAS THAT POWER US FORWARD

From a better way to extract pipe to innovative seam welding process improvements, the 4th Annual Ergo Cup Competition continued to demonstrate the McWane Way in action—we do the best by being our best, and always looking to get even better.

It’s this spirit that has always animated the Ergo Cup, a test of wits and ingenuity that celebrates innovation across the McWane family of companies. While there were winners on Oct. 17, 2012, there are no losers. The Ergo Cup is proof that all of us are vital to keeping McWane the safest, most efficient and innovative leader in the industry today! Congratulations to us all—but special congratulations to our winners.

Hosted by the Corporate McWane Health & Safety Department, the 4th Annual Ergo Cup Competition was again heated, with a lot of good ideas and wisdom for the four judge panel to sort through. The panel of judges included Pat Tyson (Partner Constangy, Brooks & Smith, LLP), Dale Schmelzle (General Manager Atlantic States Cast Iron Pipe Company), Steve Jenkins, MSc MBA (VP/Ergonomist, Auburn Engineers, Inc.) and Elizabeth Maples, PhD (Deputy Director/Assistant Professor, Deep South Center for OH&S/Environmental Health Sciences at UAB School of Public Health). The panel reviewed 10 projects before selecting Pac States the winner—an honor that also includes Pac States representing all of McWane at the National Ergo Competition!



First Place winners Pac States: Back Row L-R Rosa Franklin, Kent Brown, Matt Fenn, Jim Gabbittas, Chase Holman
Front Row L-R: John Critchlow, Mark Webb, Martin Christensen
(Team Member not in photo: Richard Jacobson)

For their winning project, Pac States installed pneumatic-driven wedge(s) on the pipe extractor to break the sand core, which eliminated the need to strike the core 6-8 times with a 14-pound sledgehammer. This task was being performed up to 20 times per hour, for each pipe produced, 10 hours per day.

Clow Valve won second prize for their workplace redesign, which significantly reduced the number of steps required to assemble each hydrant stem. They installed a new assembly table 4” taller than the old table and also added two hand directional controls. This ergonomically superior redesign eliminates two bends, at least one twist and 50% of the steps taken per assembly at approximately 18,000 per year.

Not to be outdone, the 3rd place Amerex team implemented a crane system, designed a special lifting device to hold cylinders in place and installed a hydraulic positioning device for use when picking up un-welded cylinders and sliding them in place on a seam welder. This change not only increased safety, but improved the quality of the product and resulted in a lower product cost.

At McWane, team members are challenged and encouraged to think outside the box to find ways to improve our products and manufacturing processes. These projects are just a few examples of the many ways that Team McWane is working together and challenging each other to work more efficiently and safely. ▲

ERGO CUP WINNERS

**1st Place
Pac States**

pipe extractor project
\$1,000 per team member

**2nd Place
Clow Valve Company**

hydrant grinding handling
\$500 per team member

**3rd Place
Amerex**

seam welding station project
\$250 per team member

THE SECRET EDGE TO McWANE'S SUCCESS: OUR TALENTED HUMAN RESOURCES TEAM



Our success depends on more than the products we sell. In fact, the foundation of our success, year after year, is the people who work here—all of us at Team McWane. This is the Human Resources story of our success. While our state-of-the-art machinery often gets the most attention, the most awe-inspiring pieces of our combined success are each of us, doing our part.

At McWane, our team members have proven their dedication time and time again. In HR, we maintain quality performance records, analyze opportunities for improvement, and never stop seeing the proof of success all around us. Whether its team members coming up with innovative improvements to processes or equipment, or meeting and exceeding compliance and safety standards, the far-flung members of Team McWane are impressive indeed. As we continue to grow, excellence across all of the industries we serve remains our priority.

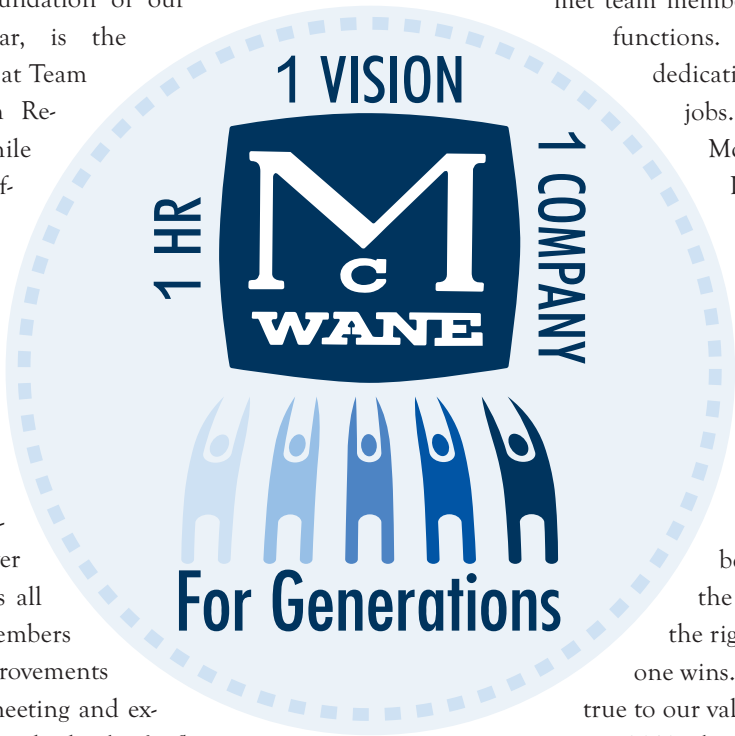
This is an exciting time for HR at McWane! Kevin Stouse joined McWane in 2012 as the new Vice President of Human Resources. Kevin has 20 years of human resources experience in manufacturing-oriented industries following a distinguished career in the U.S. Marine Corps. Since joining McWane, Kevin

has visited most of the operations in North America and met team members in a variety of capacities and functions. “I have been impressed with the dedication of our team members to their jobs. Even though I have been with McWane for a short period of time, I feel I have been part of this organization for much longer and feel in my element here. I believe that is a testament to the strong value-based culture at McWane.”

The success of any organization depends on the capabilities of its human capital. Finding, cultivating, and retaining the best talent is also critical. When the right people are matched with the right skills and competencies, everyone wins. Like always, we believe in staying true to our value-based corporate culture.

In 2013, the Corporate HR Team will partner with the HR community across the McWane family of companies, embarking on a series of initiatives to broaden our “value proposition” to the organization.

Looking forward, the HR team is excited about the opportunities ahead as we embark on a value proposition roadmap. This value proposition roadmap is designed to continue helping power McWane to the top of the industry with its real state-of-the-art edge: the talent of the McWane team. ▲



From L-R: Mickie Coggin, Wanda Hendrix, Kevin Stouse, Karen Kelly and Joe Maziarz (not pictured: Janet Stewart)

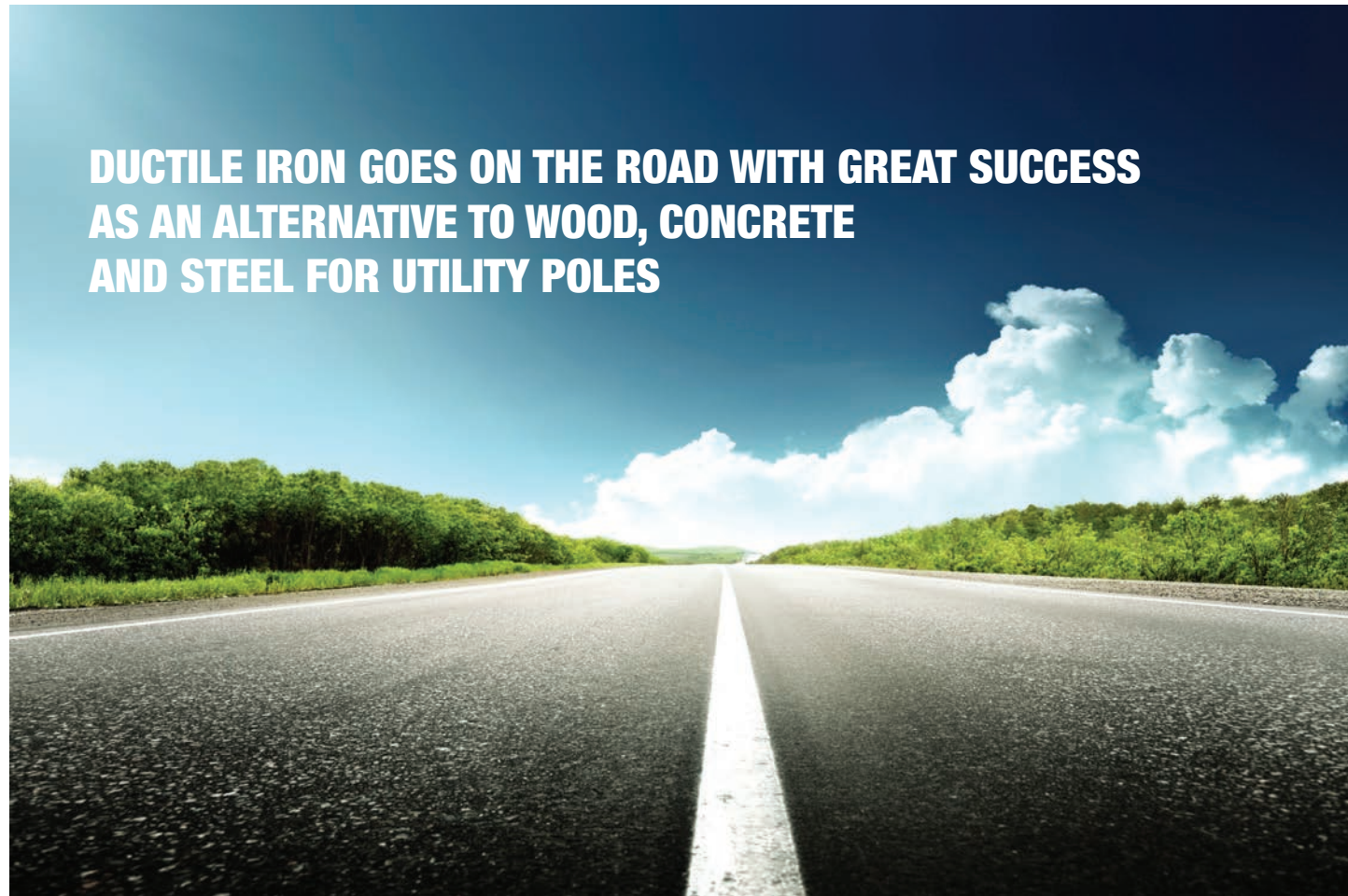
THE McWANE HUMAN RESOURCES INITIATIVE FOCUS

- 1 Mobilizing and synergizing the HR community by leveraging the skills and know-how of our HR professionals
- 2 Talent acquisition & workforce development
- 3 Employee & labor relations
- 4 Compliance
- 5 Training & Development
- 6 Compensation & Benefits
- 7 International HR



ON THE ROAD WITH McWANE POLES

DUCTILE IRON GOES ON THE ROAD WITH GREAT SUCCESS AS AN ALTERNATIVE TO WOOD, CONCRETE AND STEEL FOR UTILITY POLES



Four years ago when McWane Poles was formed, we took our product on the road, literally. The idea was to put two 12-foot ductile iron pole sections in a trailer and haul it around the country showing folks that wood, concrete and steel weren't the only ways to support utility lines or street lamps.

Today, those poles have logged more than 125,000 miles. It's been more than a show on the road. It has helped grow McWane Poles from a startup with customers in one state to a growing enterprise serving more than 135 utilities in 22 states!

You may wonder what a few ductile iron pipe segments on the back of a flatbed truck have to do with building McWane Poles into a start-up success story? Everything.

Despite all of our initial optimism, the electric utility industry didn't jump immediately to buy our poles. The concept of ductile iron was utterly foreign to them. Rick Simpson, McWane Poles' national sales manager, remembers speaking to rooms of blank faces before one potential customer asked to see a pole or a recent installation. Without many customers and nothing to show, Rick

had an idea—and with the approval of Mike Keel, then-president of McWane Poles, the ductile iron pole roadshow began.

The last eighteen months at McWane Poles have seen considerable growth. At one point last spring, demand had grown where lead times extended more than 20 weeks, creating unacceptable delays that could have hurt the company by its own success.

McWane Poles' growth into a dynamic business unit has led to a substantial investment at Clow Water Systems and at Pacific States in Provo, UT. McWane Poles was moved in August 2011 from McWane Global and is now part of the Pipe Group under Jeff Otterstedt and reporting to Tom Crawford, VP/GM of Clow Water.

Beginning in January, Pac States began producing poles in limited sizes and by June should be able to offer the full line of poles currently available out of Clow. In fact, Pac already has an order backlog of more than 200 poles for customers in Arizona and Colorado.

"Production of poles at Pac States will allow us to really meet the growing demand in Western states for poles, at a more competitive freight rate and with a faster turnaround than we can supply from

Ohio," said Keith Mallett, McWane Poles director who, along with Rick Simpson, has been a mainstay of McWane Poles since the very beginning. "We're growing, and growing strong. We are also investing over \$5 million in capital improvements at Clow to expand our capabilities to meet future growth demands. This kind of growth is the envy of any start-up, in any industry."

This kind of investment in production expansion demanded a serious investment in talented people. Bill Oliver, an electric industry veteran joined the McWane Poles sales team in September as the new Northern Regional Sales Manager. Bill is responsible for the management of our reps in the Mid-West and Northern states and continued market development. Chris Cole, started in December of 2012 as the Western Regional Sales Manager. Chris, also an electric industry veteran, is responsible for the Western States and will be key in supporting the growth of production at Pac States.

Mickey Smith, a long-time Clow Water team member, is the new Production supervisor for McWane Poles in Coshocton and Katy Meeks was promoted to Inside Sales Coordinator for McWane Poles at Clow Water. Katy replaces David Martin at McWane Global in Birmingham who was a great asset in the growth of Poles and will continue to have responsibility for Sure Stop gaskets. Warren Stewart, who worked as an intern on the pole project last year, will join the McWane Poles team in July after completing his MBA.

"Keith and I have been through a lot together since I came on board," said Rick, reflecting back on the beginnings of McWane Poles, and his idea for a truck to demonstrate ductile iron poles on the road. "We've both grown in our understanding of the market, the demands of its customers and the challenges we face ahead. We've got a lot to be proud of, too." ▲



The first 'McWane Pole' produced and shipped from Pac States
L-R: Martin Garcia, Steve Burr, Octavio Garcia, Steve Jeffers, Tony Hopkins, Steve Jensen, and Jeremy Webb

TEAM McWANE ENRICHING OUR COMMUNITIES AND UPLIFTING OUR LIVES

Across the country and around the world, wherever there is a McWane facility there is also an electric, can-do spirit. It's obvious. From the volunteerism to the adventurism, our fellow team members know how to help their neighbors and each other. We all lead busy lives, with demands from work and home. But knowing that each of us is committed to the team, and willing to set time aside for what matters to us all, is inspiring.

TOGETHER, WE'RE ON AN AMAZING JOURNEY...

■ In October, volunteer team members from AB&I not only spearheaded a successful canned food drive, they also volunteered at the Alameda County Food Bank for the roll-up-their-sleeves work of transforming canned goods into wholesome, hearty meals for those in need.

■ Only the Iron men and women of McWane can call a marathon atop the Great Wall of China “fun.” This is 5,164 steps up and down the snaking Great Wall through Tianjin Province. Called one of the “Top 10 Marathons Worth Traveling For” by Forbes, the Great Wall Marathon is not for the faint of heart. Our team from Bibby Ste. Croix that ran the race is anything but faint of heart. The five team members happened to be on an engineering visit to CFI Foundry and Tyler Xianxian, and now they have a story to tell that few people can match.

■ Clow Water Systems has taken another worthy cause under its wing—this time a stretch of local roadway in Tuscarawas Township with the “Adopt-A-Road” program. This has Clow Water team members actively preserving and maintaining streets throughout the township by removing litter. It's more than just volunteerism, it's about environmental stewardship and demonstrating a commitment to the community.

■ Not to be outdone, MTE Quincy team members marked their fifth straight year working with the Living Land and Waters Greater Mississippi River Clean-up. The team focused its efforts around Hannibal, Missouri (the boyhood home of Mark Twain). By wading right in and working hand in hand with their neighbors, the MTE Quincy team not only continues making a positive difference for the environment, but for the future too.

■ Another year, another bright and shiny donation to the community from Clow Valve in Oskaloosa, Iowa. This year, Pete Settimi, Clow Valve's general sales manager, handed the keys to a Ford 4-door pickup truck to the Oskaloosa Fire Chief. Last year, it was the Oskaloosa Police Department that received a vehicle. “Clow was gracious enough to offer this truck and I really want to thank them,” said Fire Chief Mark Neff. “Companies like this make our lives a lot simpler. It's going to be a nice asset.”

■ The 10th Annual Clow Canada Golf Tournament is becoming something of a grand tradition up north, bringing team members, their families and a lot of food and fun together. Despite a prediction of cold, rainy weather, this year's event went off without a hitch beneath a bright, warm sun.

■ Who you calling an Ichneumon? As it turns out, this tongue-twister (the name of the so-called Egyptian mongoose) tripped up Team Tyler Pipe at the Tyler Literary Council's 21st Annual Corporate Spelling Bee this past year. Our crew at Tyler Pipe has been participating for eight years. This year, facing 17 other teams, Tyler Pipe made it to the finals against Tyler Junior College (the reigning, three-time champions). The Tyler Pipe spelling team is tops in our book!

The efforts made this year from the McWane team have not only enriched our communities, but they have uplifted our lives and spirits by making things a whole lot better for the places where we work and live. This coming year promises to be even brighter! ▲



Photos from top L-R:

AB&I Food Bank volunteers: Carlos Gonzalez, Pauline Aragon, Rich Watson, Amalia Beltran

Bibby Ste. Croix Great Wall of China Marathon team: Tom Leonard, Dean Loewan, Aaron Kalinowski, Thomas Leonard, Jean Couture

ClowWater Adopt-A-Road volunteers

MTE Quincy clean-up team

Clow Valve's Pete Settimi and Fire Chief Mark Neff

Golf Tournament teams from Clow Canada, Canada Pipe, Bibby Waterworks and Wade Drains

Tyler Pipe spelling bee team

MCWANE EHS PROGRAM KEEPS GETTING BETTER AND BETTER

This summer McWane will celebrate the 10th Anniversary of major enhancements to our Environmental, Health and Safety Program—a model program recognized across industry and by federal and state regulators alike. It’s a moment worth taking pride in, but like everything else we do at McWane, we’re not resting on our laurels. Over the coming year, with team input and participation, we will be creating a new Strategic Plan to guide EHS successes long into the future.

“It has been a transformative era,” said Ruffner Page, CEO and President, reflecting on the previous decade. “Since the major enhancements to EHS began, we are a safer, more environmentally friendly place to work. We boast a more stable workforce, a sharper management group and far more efficient, safer and competitive plants. It’s been a recipe for real success.”

Major enhancements to McWane’s EHS programs began in 2003 when Barb Wisniewski and Jeet Radia began their respective tasks directing Health & Safety and Environmental work. They helped lead the creation of the current EHS system, a multi-dimensional program that manages and tracks activities and performance company-wide.

“Before we began this work, management of EHS historically fell to the divisions, with little or no consistency,” recalled Jeet. “As a result, EHS performance was highly variable. We established a consistent approach under centralized coordination and oversight. On the occasion of this effort’s 10th anniversary, our team members are ready to notch up our environmental and safety performance and efficiency across the board.”

Everyone takes pride in the Company’s commitment to environmental, health and safety performance and in McWane’s growing reputation as a leader in EHS. In order to further improve, we are also learning continuously and addressing the challenges we face.

“We have innovative ideas coming in from the plants, from the people working on McWane’s front lines,” said Barb.

“We want to continue encouraging these ideas, to keep the incredible EHS momentum we’ve been building rolling forward.”

Thanks to the impressive progress to date, McWane has in some ways outgrown the current, top-down approach to EHS. With our solid EHS systems tested and in place, this is the right time to invite facilities and team members to play an even greater role in promoting and developing strong EHS performance.

During a wide-ranging interview process conducted by Clarus Consulting Group across the McWane family of companies, which included a cross-section of operational and corporate leadership, a collective vision emerged for a more thoroughly collaborative process that instills ownership of EHS performance down to the plant floor, from the most veteran to the most junior. The interviews uncovered a number of opportunities to improve, streamline and increase collaborative involvement and ownership for safety and environmental performance. A steering committee of McWane experts will guide the entire process from idea generation to implementation. Team engagement has always been a hallmark of our EHS systems, but we’re truly going to take it up another notch.



Amerex’s Alice Wilkerson in the Restaurant Systems Department



Tyler Union’s Brian Smith, Quality Control

We wouldn’t be celebrating 10 years of revitalized EHS success without our facilities working to improve their own EHS performances.

Kennedy Valve / A bright idea: a light audit

Beginning more than two years ago, the Kennedy Valve team decided that they could cut some of the more than 2 million kWh of electricity they use annually just for lighting.

- They hired Energetix to help with an energy audit
- By replacing bulbs and inefficient fixtures, the facility reduced kWh’s by nearly half
- Annual cost savings estimated to top \$115,000 while lowering the carbon footprint of the facility’s lighting use by 60 percent
- Despite a price tag of \$383,945, by utilizing government incentives and in-house labor, the project cost for Kennedy was only \$16,543!

Amerex / Ergo Cup

Beginning in January 2012, Amerex used the McWane ErgoCup competition model to conduct their own Ergo projects:

- 16 Completed Projects resulting in ergonomic risk reductions or eliminations!
- Total one-time cost – \$40,400
- Straight efficiency savings from process improvements—\$66,700 (YOY)
- 110 Hourly and 25 salaried team members involved

Pac States / Put a lid on that!

By installing covers on open containers and connecting devices, the Pac States team has decreased housekeeping requirements (sweeping) by an hour a day, mitigating issues of storm water contamination, fugitive dust and hazardous waste. The readings are proof that even simple ideas, like lids, can produce huge results.

Clow Valve - Oskaloosa / Saving Water and Saving Time

Clow Valve-Oskaloosa managed a two-fer: eliminating the use of all city water used for once-through cooling and slashing the amount of down-time at the fuse coat lines by modifying the alkaline cleaning tanks. By turning to already available air instead of city water, and by smartly modifying the alkaline cleaning tanks, real savings were realized today and long into the future!

Anaco / Operational Review

Industrial engineering review found ways to make material movement and lifting, bending, and interaction of material handling easier, more efficient and less straining:

- Stand-up electric reach trucks substituted for propane trucks resulted in less emission exposure
- Use of additional powered vs. manual lifting devices
- Moved material closer to point of use, less walking
- Reduced/eliminated excessive bending lifting

Clow Valve – Oskaloosa Automation of High Volume Cells to Reduce High Risk Exposures

The benefits of automation include:

- Ergonomics – Operators not handling parts
- Less forklift traffic – More parts in new bins, Robot cells located near the next step
- Quality—Consistency doesn’t change
- Personnel—Advances from a manual process to an automated technical skill level
- Parts are processed in a uniform and consistent manner and typically in a shorter amount of time
- Cost of the latest robotic cell \$18,000
- Reduced ergonomic exposure hazards over 200,000 times per year
- The average cost of a minor back surgery minimum of \$100,000+
- Elimination of hazards—“PRICELESS”

CONGRATULATIONS TO McWANE'S LATEST VPP STAR!

Utah's Pacific States had another great reason to celebrate this past September: when the facility successfully passed certification by the U.S. Occupational Safety and Health Administration (OSHA) to become a VPP Star facility.

The final steps in the certification process began bright and early one Monday morning last year when three OSHA officials arrived to inspect the Pac States facility. After an introduction, orientation, and several presentations about the facility's safety practices, the team toured the grounds. After the tour, they spent days pouring through every procedure, every process, every nook and cranny of Pac States. They interviewed employees, monitored work habits and evaluated programs. Some three days after they arrived, they were finished and Pac States had its new Star designation, upgrading from their VPP Merit status to a VPP Star facility.



L-R: Scott Jarvis (Plant Manager), Chuck Thomas (QA Inspector), Brian Litchenfels (Safety Mgr), Sherrie Hayash (Utah Labor Commission), Evelyn Partner (OSHA Rep), Glosper Bowman (OSHA Rep) and Kent Brown (GM)

PAC STATES

Receiving a VPP Star ranking is no small honor as only .03% of all American companies qualify—putting Pac States in an elite club to be sure. Consider that in the entire state of Utah, only eight other facilities are considered VPP Star. “If I could give someone three learned lessons to focus on in an upcoming audit, they would be: prepare, prepare, prepare,” said Brian Lichtenfels, Safety Manager at Pacific States. “Make sure the whole facility is on the same page and do not be defensive with OSHA. Take a cooperative and open approach.”

While success, they say, is often its own reward—we decided throwing a huge celebration is rewarding too! VPP committee members planned a party—complete with steak dinners for all. The star-studded event even featured appearances from, but not limited to, Provo Mayor John Curtis, the Commissioner of the Utah Labor Commission Sherrie Hyashi, and OSHA representatives Glosper Bowman, Christin Torres, Holly Lawrence and Evelyn Partner, who all stopped by to deliver their personal congratulations.

Thanks to Pacific States, McWane now has five facilities that boast VPP Star accreditation—Tyler Coupling, Manchester Tank-Elkhart, Clow Valve (foundry) and Clow Water Systems round out the list. Clow Valve (machine shop) has earned VPP Merit accreditation. Congratulations to every team member of Pacific States, all of whom demonstrated their supreme commitment to the best safety practices and VPP principles! This is more proof that the McWane Way is about being the best by doing our very best. ▲

McWANE IN AN APP ENGINEERING IN THE PALM OF YOUR HAND

With one click, your smartphone can now be a whole lot smarter. McWane's combined wisdom, know-how and complete product inventory have been coded into an app, now available for download at the iTunes store and at the McWane website.

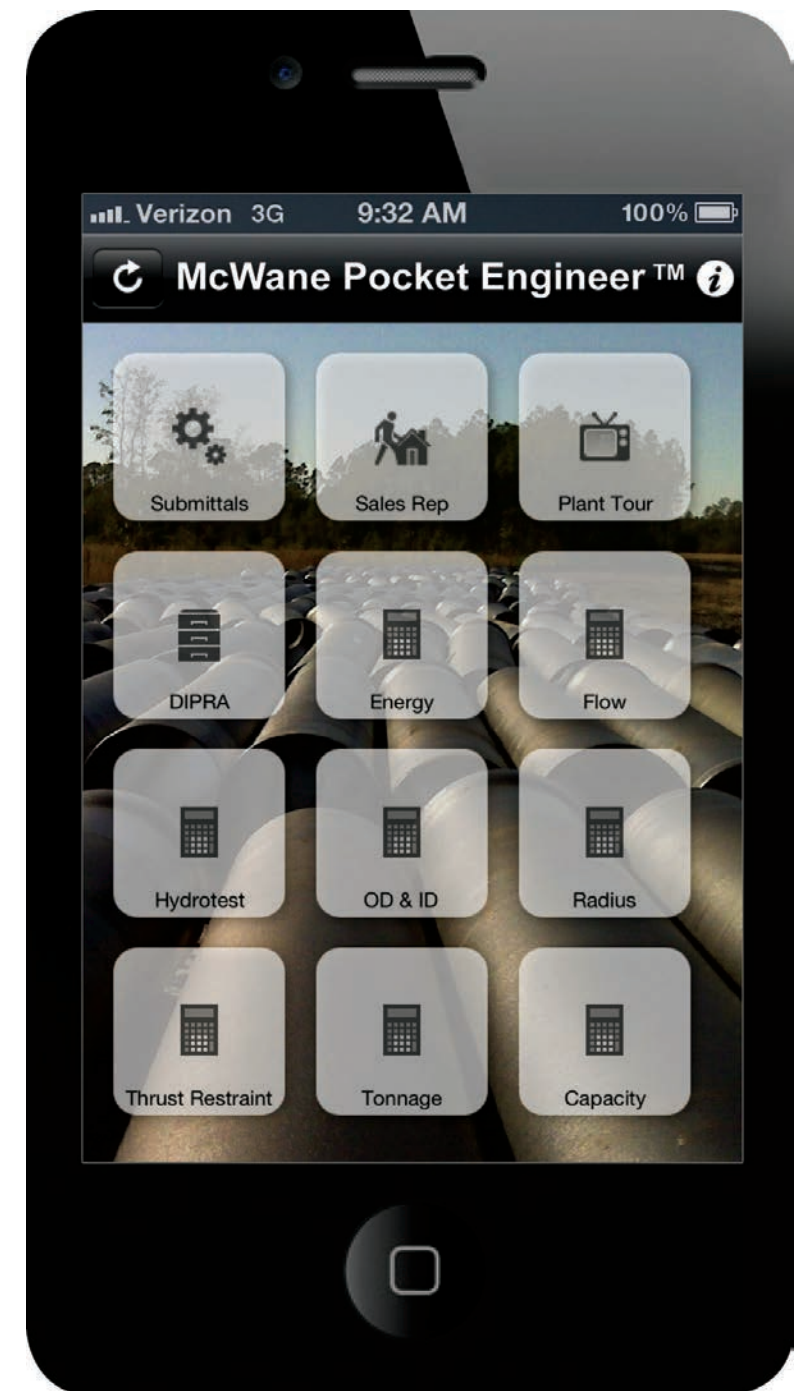
Think of it as the McWane Way sized for your pocket—a universe of knowledge and know-how in the palm of your hand. Meet the McWane Pocket Engineer™.

Review any and all McWane Pipe Group brochures, data and specs. Examine any fitting, the Quality Assurance protocols for every McWane manufacturing facility, and even find a sales rep. Ask the Flow Calculator to solve a head-scratcher. Ask another question of the AWWA Hydro-Testing Allowance Calculator. Calculate volumes, calculate radii, energy savings, and thrust restraint requirements!

For a nation with billions of dollars of water infrastructure in need of repair and replacement every year, this app is a must for anyone serious about rebuilding the iron backbone of America. Calling it “tremendous execution of an exceptional idea,” Ruffner Page declared that the McWane Pocket Engineer was “innovation that will separate us from the pack.”

The McWane Pocket Engineer is a must-have for contractors, designers, inspectors, engineers and sales support personnel in the waterworks and sewer industries. An easy-to-use comprehensive virtual assistant covering ductile iron pipe design, manufacture, use and comparisons to alternate materials this unique tool contains product and industry literature, submittal data, manufacturing videos and contact information, along with (8) specialized calculators to perform and compare pipeline designs and performance. Based on and developed through more than 20 years of experience, it's like truly having an engineer in your pocket.

The McWane Pocket Engineer is built for both the Apple iPhone and iPad... and is completely free of charge! ▲



McWANE.COM LEADING THE WAY ONLINE



By the end of the year, every McWane company will have its own dynamic digital home, one to serve our growing online customer bases with unique and individual features—while still being a seamless part of McWane’s corporate web infrastructure.

The McWane Way is being the best by doing our best, and always looking to be better. Now we’re bringing the entire McWane Way online too, in a consistent, unifying branding effort that will give each division its own customizable stage while delivering efficiencies and coordination across the entire company! The new family of websites for our family of companies honors the heritage, know-how, and professionalism enshrined in the McWane Way—with a big, dynamic digital upgrade.

By showing what we do, and how well we do it, we’ll be providing our customers with real value. We’re building a robust content management system that will be instantly updatable and easily modified to meet the needs of all of our individual groups, employees and customers. The boldly designed new websites will enjoy a strong consistent identity and a new look that will serve human resources, management and health and safety platforms company-wide. Built with usability in mind, each unique division will be displayed online in new and more exciting ways than ever before. Combine that with the integration of cutting-edge

video and interactive technologies, and it’s obvious why everyone involved is so excited about the project.

“This kind of web project is something that has never been done before at McWane,” says Project Leader Elizabeth McCain. “By creating a site that is custom built from scratch and is infinitely scalable, McWane is building a better experience for everyone involved. It’s an exciting time to be at McWane!”

Together, with our trusted partners from Trilix, we’re building something that is truly special. By pulling all of our various digital domains together onto one dynamic platform, we’re saving time and money while building-in the ability to modify, shape and custom-tailor all of our websites. That’s continuity for today and innovation for tomorrow.

We’ll be rolling out the new, integrated websites in phases over the course of the year. Starting with the McWane corporate site, we will then roll out all divisional sites by groups. We’ll finish launching the sites sometime near the end of 2013.

With nearly a century of industry leadership under our belt, this new effort will help secure McWane’s position well into our second century. By constructing a new and better web presence and staying on top of industry trends, we’re ensuring that McWane is going to be the best in the business for a long time to come. ▲

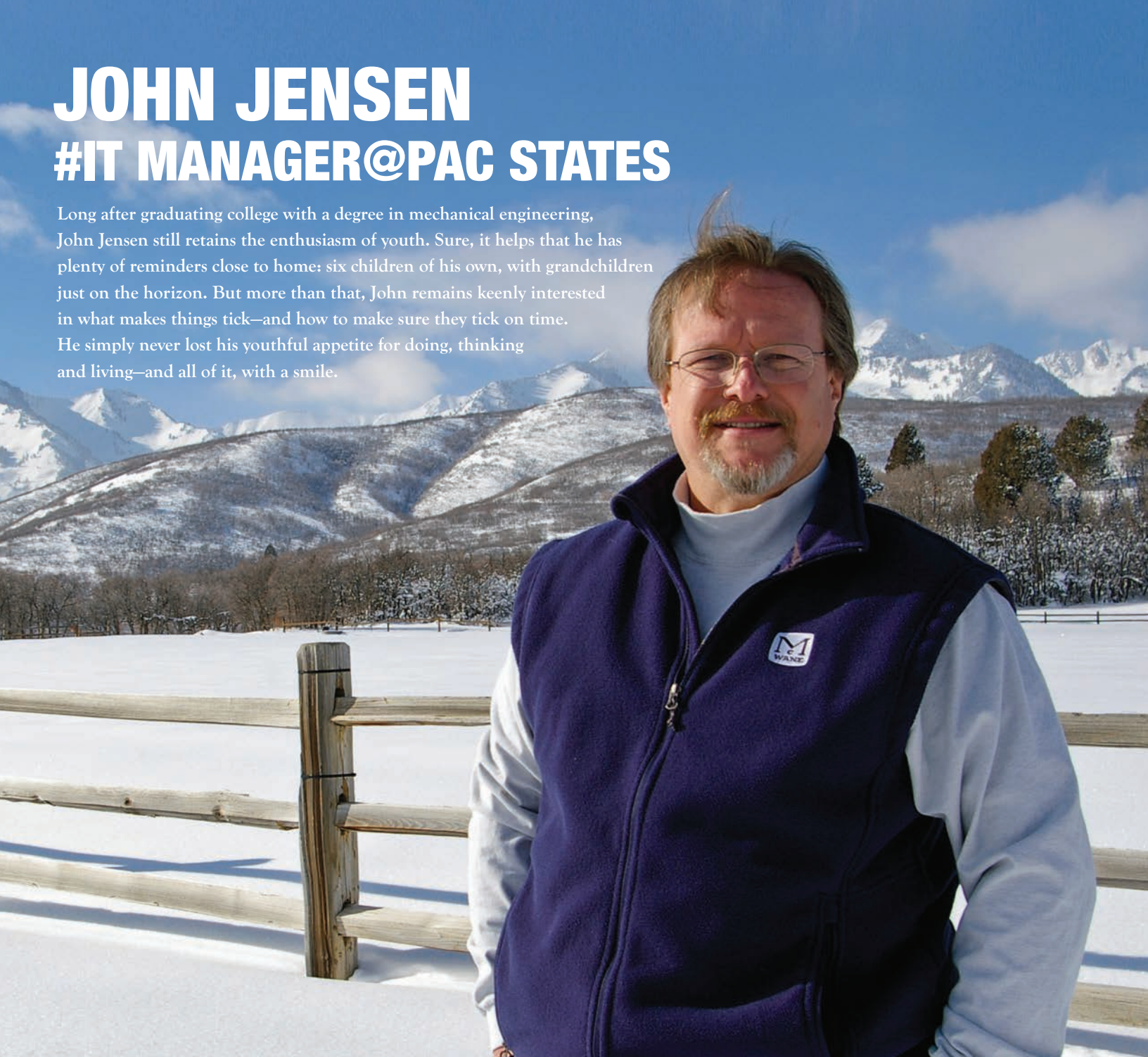


**Visit McWane.com
and discover our new
online presence**

JOHN JENSEN

#IT MANAGER@PAC STATES

Long after graduating college with a degree in mechanical engineering, John Jensen still retains the enthusiasm of youth. Sure, it helps that he has plenty of reminders close to home: six children of his own, with grandchildren just on the horizon. But more than that, John remains keenly interested in what makes things tick—and how to make sure they tick on time. He simply never lost his youthful appetite for doing, thinking and living—and all of it, with a smile.



Raised in Delaware, Jensen moved to Utah in 1983. While a techie at heart—Jensen is also an athlete. Calling sports one of his “true passions,” Jensen is as comfortable on the golf course, soccer pitch or volleyball court as he is anywhere else. Before joining Pac States in 2006, Jensen spent eight years running his own software consulting company.

“Now data is my passion. Finding ways to share data and provide the tools needed for success is very satisfying,” says John. “Doing things the right way is very important to me and discovering the best solutions while working with some of the great minds at McWane gives me a real sense of team achievement.”

“I’m excited about the direction the company is headed, and look forward to becoming more involved in the emerging technologies we are pursuing,” said Jensen, who has already developed a first-class maintenance and production management software tool, spearheaded the customization of SalesLogix CRM for the pipe group, and interfaced with IS Networkd to manage McWane’s vendor safety and insurance policies. What will he think of next?

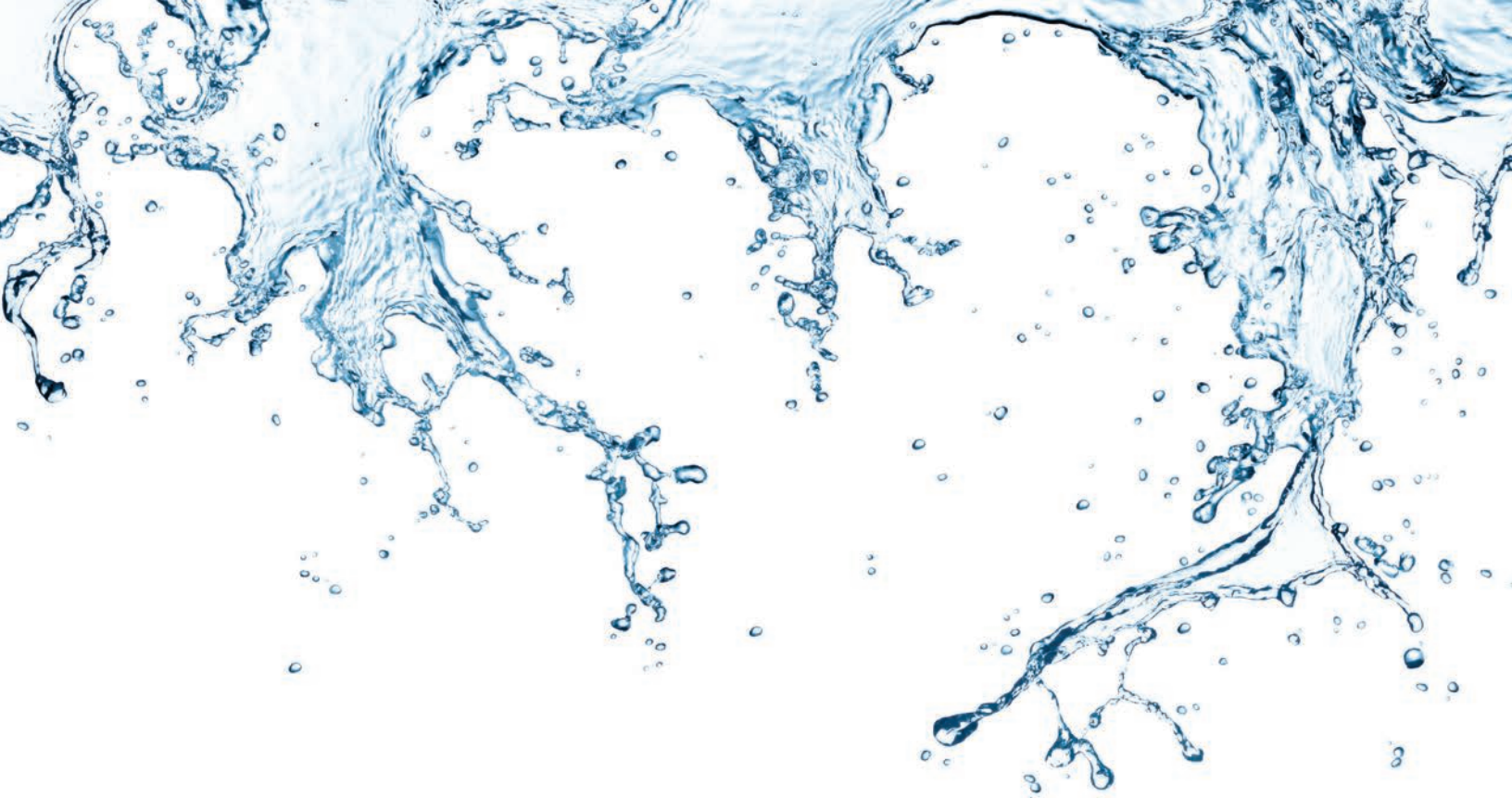
JOHN’S ENTHUSIASM FOR WHAT HE DOES IS CONTAGIOUS—AND INSPIRING!

THE McWANE WAY IS THE GREEN WAY

At McWane, we believe in doing things the right way. While protecting the health and safety of our employees, we are committed to the environment, striving to take every possible measure to preserve our planet through caring corporate responsibility. The McWane way is the green way.



For Generations



WATER.

It's a vital part of everything we do.

Whether you're fighting fires, watering crops,
or just taking a morning shower... chances are,

that water is being brought to you by the

McWane family of companies.



For Generations
mcwane.com

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Atlantic States Cast Iron Pipe Company
Canada Pipe Company, LTD
Clow Water Systems
McWane Cast Iron Pipe Company
Pacific States Cast Iron Pipe Company
McWane Coal Company

INTERNATIONAL SALES & TRADING

McWane Global
McWane Poles
McWane International

WATERWORKS VALVES & FIRE HYDRANTS

American R/D
Clow Canada
Clow Corona
Clow Valve Company
Kennedy Valve
M&H Valve

WATERWORKS FITTINGS

Tyler/Union Foundry Company
Tyler Xianxian

SOIL PIPE, SOIL FITTINGS & COUPLINGS

AB&I Foundry
Anaco
Bibby-Ste-Croix
Fonderie Laperle
Tyler Pipe Company
Tyler Coupling
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Manchester Tank & Equipment Company
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Futurecom Systems Group
Synapse Wireless
Nighthawk