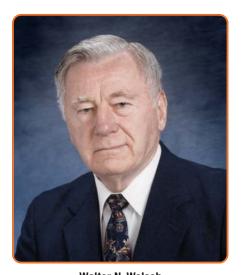
"LINKING COMPANY NEWS TO EMPLOYEES.

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DECEMBER 2011

Dynabrade Transition Promises Bright Future

ack in the mid-1960's Walter N. Welsch, a 3M abrasive salesman since 1951, made a fateful sales call to the Wurlitzer company in western New York. There Walter saw a woman struggling to file



Walter N. WelschChief Executive Officer, Chairman of the Board

holes in the aluminum casting for a juke-box grill. It occurred to Walter that a portable abrasive belt running over a 5/8" diameter contact wheel could file those holes much faster. This idea was the genesis of the **Dynafile**® Abrasive Belt Tool, and the true beginning of **Dynabrade, Inc.**!

The Dynabrade odyssey is the epitome of the American dream. Walter's company, starting with a single tool, is now the **global leader** in the design and manufacturing of portable abrasive power tools. Dynabrade has grown into a multi-million dollar business offering over 700 tools, plus a complete line of accessories and abrasives. Dynabrade products are sold in over 90 countries, providing labor-saving solutions to industries in every corner of the globe.

As established on November 15, 2011, Walter Welsch will now serve as Dynabrade's Chief Executive Officer and Chairman of the Board of Directors. Walter continues to be active in every phase of Dynabrade's operations, and his dedication, ingenuity and vision remain vital elements of the company's success.

At the same time the Board of Directors appointed **Ned T. Librock** Company President. Ned has been Dynabrade's Director of Marketing since 2006. "We are fortunate to have someone of Ned's caliber and experience to lead Dynabrade," said Walter. "Ned is an outstanding individual who will make our company's future a successful one. He will implement our strategy and take advantage of market opportunities ahead. He has a proven track record and is a strong, customer-focused communicator with deep leadership capabilities. Furthermore Ned's

experience gives him a solid understanding of our products and markets."

Ned also serves on the board of directors of two manufacturing-based companies and is involved with several non-profit organizations. Ned stated, "I'm



Ned T. Librock *Dynabrade President*

honored that the Dynabrade board has trusted me with this leadership responsibility. Dynabrade is not only financially strong, but also has a top-notch management team in place to build on our solid business model. Together we'll work to implement the strategy we've developed for 2012 and beyond."

Regional Meetings 2011

Dynabrade Europe S.à. r.l.

Clarence, New York • September 12-15, 2011



Dynabrade Europe Team Standing (I-r): Francisco Jimenez, Igor Pavlovic, Cengiz Ceylan (European Sales & Marketing Director), Walter Welsch (Dynabrade President), Ubaldo Zocchi, Ron van Glabbeeck, Bryan Weightman, Arnaud Pouce. Seated (I-r): Cagri Sikim, Milosz Terczynski, Sergey Verteyko, Colin Brogan (Vice President of Operations), Raakhee Bachonee, Ned Librock (Director of Marketing).

USA Central Region

Indianapolis, Indiana • October 25-27, 2011



USA Central Region Team Standing (I-r): John Smith, Jason Godios, Tom Boland, George Brown, David Christensen, Fred Deer, Patrick Winans, Mike Flannery, Jack Boland. Seated (I-r): Tom Jacobi, Bob Ochoa, Dennis Williams, Jeff Springborn (Regional Manager), Mike Stuhler (USA/Canada Director of Sales). Also attending: Gary Lojacono, Chris Nutty.

USA/Canada Eastern Region

Clearwater, Florida • November 7-9, 2011



USA/Canada Eastern Region Team (I-r): Michel Lafond, Ed Shirley, Nick Kney, Patrick Maloney, Paul Klussmann, Tom Tornabene, Mike Kirk, Scott Nolt, Shane Davis (Regional Manager), Robert Peterson, Jonathan Sowinski, Larry Speed, Len Fisher. Also attending: Jason Bolis, Ned Librock (Director of Marketing).

USA/Canada Western Region

Portland, Oregon • November 15-17, 2011



USA/Canada Western Region Team (I-r): Steve Karich (Regional Manager), Jay Clifton, Mike Stuhler (USA/Canada Director of Sales), Larry Sher, Matt Denney, Ben Barton. Also attending: Kelly Atchison, Gary Lojacono, Chris Nutty.

Inside Dynabrade Headquarters

A Tour of Various Departments in Clarence

INVENTORY

- Total Stock-Keeping Units: 39,375 (23,655 active inventory)
- 2,365 active tool SKU's



PRODUCTION

- 140,000 tools produced in 2011
- 325,000 Random Orbital Sanding Pads produced in 2011
- 50 employees, averaging 16 years of experience





MACHINE SHOP

- Delivering high-quality components daily
- Flexible manufacturing produces hightolerance components; short runs
- Reworks from vendors; rapid prototypes

SHIPPING

- Averaging 225-250 daily shipments in USA
- 80% of orders ship within two business days; 90% ship within three to five business days
- Regular shipments to Canada, Mexico, South America, Brazil, India and the Pacific Rim





ENGINEERING

- Three groups:
 - Industrial Products
- Special Products
- Stationary Equipment
- Team of twelve Engineers
- Responsible for product design, prototyping, testing and safety review

Inspection/Quality

- Inspectors averaging 35 Years of quality control experience
- Utilizing state-of-the-art measuring equipment
- Equipment calibrated regularly to meet all applicable standards



USA Territory Manager Receives Sales Award

Since 1915

Jason Godios, Dynabrade Indiana Territory Manager, is shown receiving the award for "A-D Vendor Sales Rep of the Year." This presentation was made by *Industrial Supply Company*, a member of the *Affiliated Distributors* buying and marketing group.

In attendance were *Industrial Supply* President Don Ireland and Vice President Jack Simpson. Congratulations to Jason for a job well done!





Don Ireland (left), Jason Godios and Jack Simpson

Cesar Cabello is Recognized

Cesar Cabello, Dynabrade
Regional Manager of
Mexico & Central
America, visited
Dynabrade during the summer
and was recognized by President Walter Welsch
for outstanding sales
growth.

Cesar was joined by representatives from two of his top distributors, Jorge Lack of *Lack Alexander Jorge Javier*, and Ernesto Rodrigues of *Jose Ernesto Rodriguez Santiba*.



Jorge Lack (left), Walter Welsch, Cesar Cabello, Ernesto Rodrigues

2012 Trade Show Schedule **Provides Global Exposure**

Dynabrade's aggressive 2012 trade show schedule spans the world, and assures us tremendous visibility and exposure of our products. Here are the exhibitions we are currently scheduled to attend, in the industrial market and automotive aftermarket. (Additional shows may be added.) Our complete trade show schedule is available on the Dynabrade website.

USA Shows

PBE Warehouse, Inc. "Big Event"

Burbank, California February 26, 2012

WESTEC® 2012

Los Angeles, California March 27–29, 2012

Midstate Tool "Showcase XXXI"

Altoona, Pennsylvania March 30-31, 2012

MRO Americas

Dallas, Texas April 3-5, 2012

Paint, Body & **Equipment Expo**

Boxborough, Massachusetts April 20-21, 2012

KBIS (Kitchen & Bath **Industry Show**)

Chicago, Illinois April 24-26, 2012

Windpower Trade Show

Atlanta, Georgia June 3-6, 2012

ISN "Tool Dealer Expo"

Orlando, Florida June 29-30, 2012

IWF (International Wood Fair)

Atlanta, Georgia August 22-25, 2012

IMTS (International **Machine Tool Show**)

Chicago, Illinois September 10-15, 2012

NACE (International **Autobody Congress** & Exposition)

New Orleans, Louisiana October 11-13, 2012

SEMA Show

Las Vegas, Nevada October 30-November 2, 2012

JEC Americas Composites Show

Boston, Massachusetts November 7-9, 2012

PBE Jobbers Warehouse Show

Madison, Wisconsin Date to be announced













INTERNATIONAL SHOWS

Auto Expo 2012

New Delhi, India January 7-12, 2012

Guangzhou **International Boat Show**

Guangzhou, China March 9-11, 2012

China International Hardware Show

Shanghai, China March 13-15, 2012

JEC Composites Show

Paris, France March 27-29, 2012

FUNDIEXPO World **Foundry Congress**

Monterrey, Mexico April 25-27, 2012

China International Wind Exhibition

Beijing, China April 26-28, 2012

AWS Weldmex

Mexico City, Mexico May 2-4, 2012

Automechanika 2012

Frankfurt, Germany September 11–16, 2012

HUSUM WindEnergy

Husum, Germany September 18-22, 2012









Dynabrade Announces New Appointments

Dynabrade is pleased to announce three appointments, effective immediately.

Steve Briggs has been named *International Sales Director*. Steve is a 15-year Dynabrade veteran, and was a USA Territory Manager for ten years before moving into Product Management in 2007. Steve is now responsible for sales in Asia, Mexico and Central America, plus the Spanish-speaking countries of South America.

With Steve's move to international, Product Management will now be handled by **Jason Bolis** and **Chris Nutty**. Jason joined Dynabrade in 1997 and has overseen our technical documents, along with acting as Graphic Designer, Photographer and Product Manager. Chris joined Dynabrade International in 2006, serving as Sales Service Coordinator and handling Repair Training around the world.

We congratulate our teammates, and wish them every success in their new roles!

Dynabrade 2011 **New Product Review**

As 2011 draws to a close, Dynabrade again demonstrated its commitment to bringing exciting **new products** to the marketplace. Here is a review of our product introductions over the past twelve months:

- RED-TRED® Eraser Disc
- RED-TRED® Pistol Grip Tool & Kit
- Pistol Grip Buffer
- DynaPen Series
- Metal Capture Downdraft Table
- Quick-Change Pencil Grinder
- Electric Dynafile[®] II
- Electric Depressed Center Wheel Grinder
- Metal Capture Downdraft Station
- .7 hp Right Angle Die Grinders
- .7 hp Right Angle Disc Sanders
- Industrial Portable Vacuum







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DYNABRADE DO BRASIL LTDA.

Av. Kennedy 914 - CJ 32 • São Bernardo do Campo • SP - CEP 09726-253

DYNABRADE FUROPE S.à r.l.

Zone Artisanale Op Tomm 6 • L-5485 Wormeldange—Haut, Luxembourg

DYNABRADE INDIA ABRASIVE POWER TOOLS Pvt Ltd.

EL-54, TTC Industrial Area, M.I.D.C. Mahape, Electronic Zone, Navi Mumbai - 400705, Maharashtra, India