

# CONNECTIONS

"LINKING COMPANY NEWS TO EMPLOYEES"

WWW.DYNABRADE.COM

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## A LOOK TO THE PAST. A PLAN FOR THE FUTURE.

Dynabrade President Walter N. Welsch stands beside his classic automobile, a 1935 Packard 120 Touring Sedan. Powered by a 110 hp, 256 cubic inch straight-8 motor, this car was one of 25,000 produced that year, and was the first Packard to offer "factory suicide" (rear-hinged) doors. This was also the first Packard produced in an assembly-line environment, allowing a "more affordable"

price of \$1,095 that helped boost sales. The full restoration of this model began in 2006 and was completed in 2009.

While this car offers a nostalgic nod to the past, Wally is primarily concerned with the future; especially the future of Dynabrade. He addressed this topic at a recent "Town Hall Meeting" in our Clarence headquarters. See page two for a summary of his comments.

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# Message From The President

*Walter N. Welsch*

On October 21, 2009 Wally Welsch, Dynabrade's President and CEO, addressed the employees at corporate headquarters in Clarence, New York. The intent of the Dynabrade "Town Hall Meeting" was to talk about the business conditions of the past twelve months and to comment on what we can expect in the new fiscal year.

"It should certainly not be a surprise to anyone that the business conditions starting last October came upon us very quickly and with no warning," stated Wally. "No one could have predicted how devastating the effects of this recession would be on our business and for our customers. With such a steep decline in business so quickly we had to react by cutting expenses and unfortunately downsizing our work force to minimize our financial losses. This was difficult and many friends of ours are no longer working here. But the good news is that for the past three or four months sales have increased every month and we see that the recession is nearing an end."

"More good news includes having so many wonderful projects underway that should help us recover when more normal business conditions return. These include a variety



of new power tools including new Vacuum Tools, a new line of high-quality Drills, new redesigned Die Grinders, new Vertical Grinders for the foundry industry, and much more. In addition, industries such as wind energy continue to grow and we have a great offering of tools for these accounts."

"And let's not forget two important points. While our reputation was built on designing and selling high-quality Abrasive Belt Tools and Random Orbital Sanders, we now have a complete line of Die Grinders, Disc Sanders and Drills, with lower prices that should get the attention of our customers. We have the right to say that we honestly and seriously believe that we have the very best tools for industry. Just look at our offering of Random Orbital Sanders as an example!"

"Business will recover for Dynabrade but it will be gradual, and faster in some areas than others. It is imperative that we all do our very best to satisfy our customers, sell as much new product as possible, and to be extremely conscious about controlling our expenses as we recover in 2010."

"I wish each and every one of you the very best for the upcoming year and great success!!"



# Dynabrade Penetrates Wind Energy Market in China

By Bruce Gao, Regional Manager – China, Hong Kong, Taiwan



As one of the key green energies, the use of wind energy is strongly encouraged and supported by the Chinese government. In the past two years, the wind energy industry has developed very quickly in China, and in 2008 the new added capacity of wind-powered generators in China reached 7,190 megawatts. China is now the fourth largest wind energy market in the world, after Europe, the USA and India.

During the past two years we have been very focused on developing this market in China, along with our traditional markets like AOEM, aerospace and woodworking. Through

the efforts of our team, we have already made breakthroughs and achieved some success. Below is a list of the major wind energy customers in China, and the Dynabrade tools they are using.

In April, 2010 we will attend the China Wind Energy Expo to further strengthen our brand awareness and penetration into this market. Meanwhile we also plan to set up two new distributors who are focused on wind energy.

Finally, I would like to take this chance to give special thanks to our Dynabrade team in Clarence. Your great support is highly appreciated and is one of the keys to our success in the Chinese wind energy market.

#### **Gamesa Tianjin Plant**

59029 Dynorbital-Spirit®,  
52537 Ext. Vac Cut-Off Wheel Tool

#### **Suzlon Tianjin Plant**

56830 Dynorbital® Supreme,  
52438 Vac Cut-Off Wheel Tool,  
59029 Dynorbital-Spirit®

#### **Dongqi Wind Blade Manufacture Plant**

56830 Dynorbital® Supreme,  
50349 Disc Sander,  
52438 Vac Cut-Off Wheel Tool

#### **Xing Mao Xing Wind Energy Co.**

59029 Dynorbital-Spirit®,  
61309 Portable Vacuum,  
57814 Dynabug®,  
52537 Ext. Vac Cut-Off Wheel Tool

#### **Guodian Wind Energy Co.**

50349 Disc Sander,  
58420 Two-Hand Dynorbital®

#### **Vestas Inner Mongolia Plant**

59015 and 59029 Dynorbital-Spirit®

#### **TPI Composite Material Co.**

56830 Dynorbital® Supreme,  
58414 Two-Hand Dynorbital®,  
53060 Drill, 52503 Disc Sander,  
52436 and 52438 Vac Cut-Off Wheel  
Tool, Diamond Wheels

#### **Centery Energy Wind Blade Manufacture Plant**

52596 Vac Disc Sander,  
59014 Dynorbital-Spirit®

#### **Hande Wind Energy Co.**

52436 Vac Cut-Off Wheel Tool,  
56830 Dynorbital® Supreme,  
58406 Two-Hand Dynorbital®,  
52597 Vac Disc Sander

#### **Southern China Wind Energy Co.**

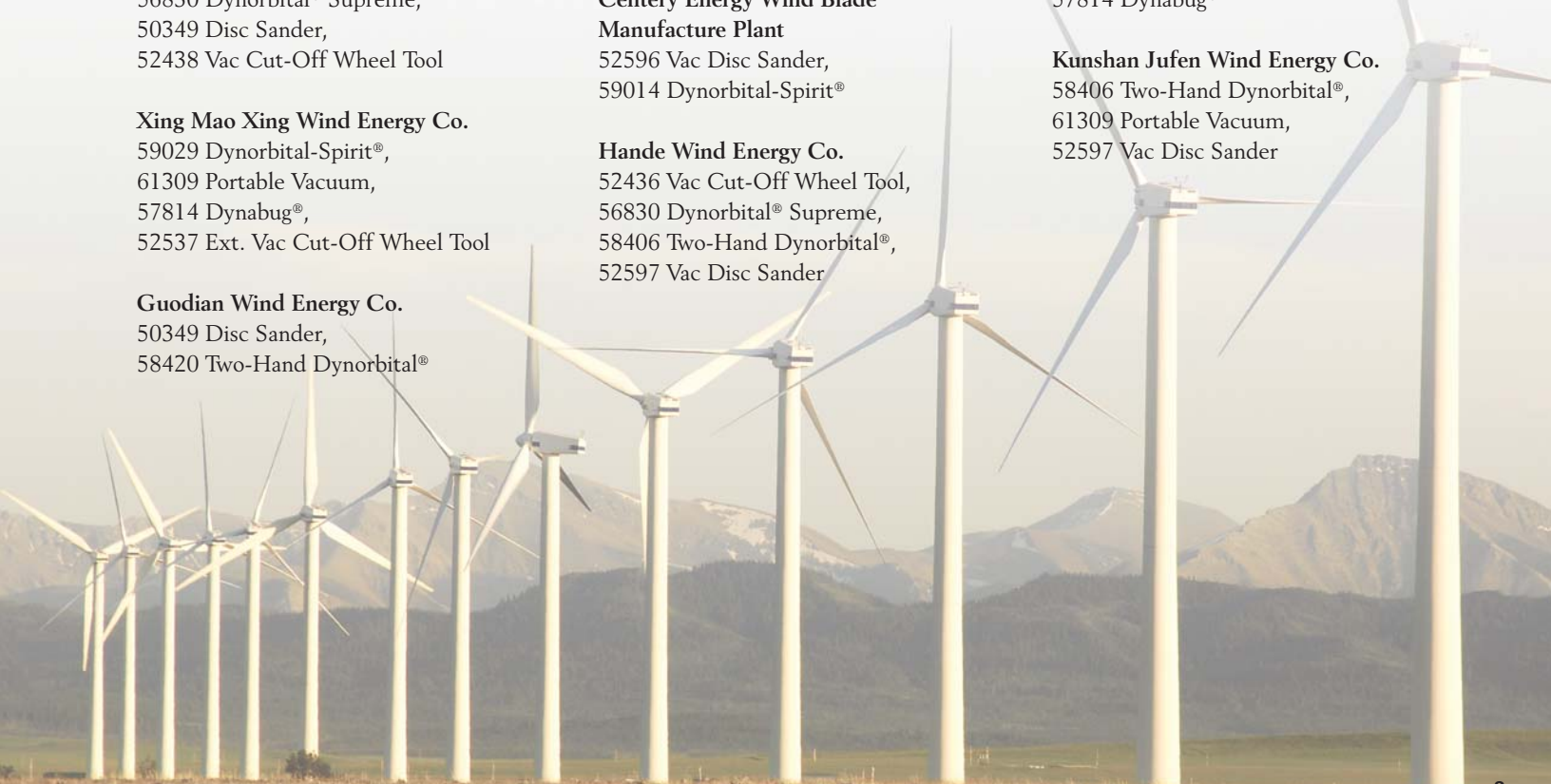
59024 Dynorbital-Spirit®,  
61309 Portable Vacuum,  
58414 Two-Hand Dynorbital®

#### **Yijiu Wind Technology Development Co.**

52596 Vac Disc Sander,  
56830 Dynorbital® Supreme,  
61309 Portable Vacuum,  
52537 Ext. Vac Cut-Off Wheel Tool,  
57814 Dynabug®

#### **Kunshan Jufen Wind Energy Co.**

58406 Two-Hand Dynorbital®,  
61309 Portable Vacuum,  
52597 Vac Disc Sander





# New Sales Opportunities with General Purpose Tools

By Ned Librock, Director of Marketing



Dynabrade has the number one market share and is the global leader selling Abrasive Belt and Finishing Tools, and Random Orbital Sanders. One of the largest markets worldwide is General Purpose Tools – Die Grinders, Disc Sanders and Drills.

Dynabrade has a genuine opportunity to increase sales with our expanded line of new tools, and new pricing to end-users. This family of tools has expanded significantly the last few years with the addition of Vacuum Tools, new Die Grinders and Sanders, and a new family of Drills. To get the attention of the market, we have reduced the list price on

many of our popular tools from 5% to 25%! We hope that this strategy will entice our customers, who know Dynabrade for Belt Sanders and Random Orbital Sanders, to try these other high-quality tools.

In the United States, a search and qualification process is underway to find good and loyal distributors who will stock, promote and sell Dynabrade General Purpose Tools as their primary tool line. Given our reputation for high-quality tools manufactured in the United States, and with a Lifetime Warranty at great prices, we can expect good growth in this tool category!

# New Vacuum Catalog Features Complete Offering

By Gary Lojaco, Manager of Marketing Communications



Dynabrade introduces an exciting new industry-segment catalog, featuring our complete line of Vacuum Tools and Accessories. The sales potential for these source-capture products is

limitless, as more industries throughout the world make a commitment to workplace safety and cleanliness.

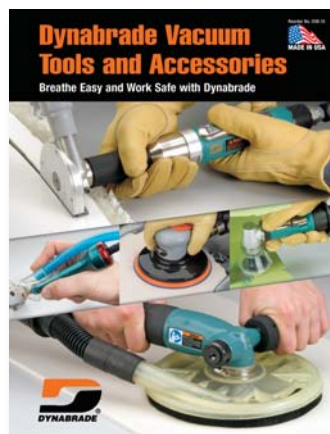
This new 64-page catalog (D09.18) features the most extensive variety of Dynabrade vacuum products ever presented. This includes our Vacuum Random Orbital and Gear-Driven Sanders, plus Vacuum Disc Sanders, Detail, In-Line and Orbital Sanders. Our complete range

of vacuum-related accessories is also included.

Best of all, the document introduces many exciting NEW tools, such as:

- Vacuum Die Grinders (.4 hp, .7 hp, 1 hp)
- Vacuum Cut-Off Wheel Tool (unique shroud/flange design)
- Vacuum Router (3-1/2", 4" diameters)
- Vacuum Drills (.4 hp, .7 hp)

This dynamic new literature will be a vital sales aid to traditional Dynabrade markets such as woodworking and solid surface, along with expanding markets such as aerospace and wind energy.



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