

December 28, 2009

Subject: New Price List effective February 1, 2010

Dear Distributors & Machine Tool Builders:

Based on the current value of the US dollar compared to Swiss franc and Japanese yen, we must make a modest price adjustment to overcome our shift in costs. We are carefully monitoring the currency exchange rate and after consulting industry leaders on the subject, we must conclude that a steady or stronger dollar in 2010 will not happen. The current administration and Fed have not introduced any new policy change that will help to strengthen the dollar.

After careful analysis, we have concluded that an overall increase of 3% is necessary on our Kaiser products with Swiss origin. Additionally, an increase of 10% is necessary on only the MEGA Synchro Tapping system from the BIG Daishowa product line. All other products such as KAB and BIG-PLUS shanks produced in USA will remain at current prices. All changes will be effective as of February 1st, 2010. Any orders received prior to this date will be accepted at the current prices.

We will have the new price list available as an e-file (XLS or PDF) as well as printed. Electronic copies will be emailed when available. Printed copies will be available in limited quantities and sent by request only.

We truly appreciate your business and support of BIG Kaiser products. If you have any questions please contact us.

Best regards,

BIG Kaiser Precision Tooling Inc.