



IMPORTANT NOTICE

October 30, 2009

To: Sandvik Coromant Channel Partners,

2009 has been a very challenging year for most of us, but with the help of our channel partners, Sandvik Coromant has continued to put customer success in focus. Despite the slowdown in business, we will have documented over \$60 million in customer cost savings in 2009! It is about doing the things, big and small, which make our customers realize that their success is our primary business.

In 2010, Sandvik Coromant will continue with our value added strategy. With that being said, effective January 1, 2010, Sandvik Coromant will implement a price adjustment (*not* a general price change) on certain products. A thorough price evaluation has been made for all Sandvik Coromant products and consequently not all products will change. Although some products will have a price increase, there are many products where the list prices will be unchanged or even reduced.

All standard products and their prices will be included in price list LIT-PL10.0 CD. The price list CD will be available to ship from Sandvik's Distribution Center no later than December 18, 2009.* As before, price list LIT-PL10.0 CD will not include products to be introduced in CoroPak 10.1. These products will be included in a subsequent price list. *Confirm with your Sandvik Coromant Sales Representative that you are on our mailing list to receive a price list, as well as the latest product information.

November 23-24, 2009, you will receive an e-mail which will include a price file in MS Excel format (text file format is available by request). This file should allow you to quote customer annual blankets as well as to make all necessary internal changes. The file will contain all product / price data that is included in LIT-PL10.0 CD.

In addition Sandvik Coromant will send each channel partner their affected "ILPs" and updated competitive quotes starting November 30, 2009. If you require new list prices on specific items prior to receipt of the price list or the November 30th e-mail, please contact your Customer Service Center.

NOTE: Effective with this notice, LIT-PL10.0 prices will apply to all new scheduled release orders that request delivery on January 1, 2010 or later.

Sandvik Coromant continues to offer the products and services that provide our mutual customers the highest level of quality and productivity available in the market.

Please do not respond to this email; direct all price related questions to the Sandvik Pricing Department and/or Customer Svc Center @ 800-SANDVIK.

Thank you for your continued support and cooperation in this matter.

Sincerely,

James V. Diamond
Director; Pricing & Contract Management