



December 13, 2010

Dear Valued Blanco Customer:

Please take the time to read this important announcement. Our customers have had to endure many challenges in maintaining the strength and vitality of their businesses over the past two years. Likewise, manufacturers also faced difficult decisions regarding cutbacks in spending related to product development, marketing, and program development. During this time, few could see a bright future and even fewer were willing to invest in it. BLANCO, however, has always believed in the future and we strive to be THE brand of choice in the kitchen segment.

In 2009 BLANCO took the bold move to re-launch our brand with a new look, new support tools, and increased advertising while introducing 54 new award-winning products including FLOW, ARCON, MicroEdge™, and SILGRANIT® II. In 2010, we continued on our mission to be the leading brand of choice by offering even more new products like the RONIS entertainment sink, SILGRANIT II biscotti color, several new faucets, and our first true green product, the SOLON compost system. Recently, the RONIS and SOLON were honored as *2010 DPHA Product and Accessory of the Year* and *2010 Interior Design Products of the Year* for kitchen fixtures and green products.

As markets have shifted in the past few years, consumers have also started to look for a 'new balance of value and price' putting even greater pressure on showroom sales people. In 2011, BLANCO will make significant investments in the price evolution and product expansion of our steel sink portfolio in order to provide you with a branded solution to today's consumer.

In January 2011, we will be launching a new line of modestly priced drop-ins named SPEX II that complement our popular STELLAR under mounts. We will also launch two new reverse models in the STELLAR series. In addition to offering new affordably priced products, effective **February 1, 2011**, we will implement a price decrease on the following stainless steel product collections: ARCON, PRECISION, PERFORMA, SUPREME and WAVE. No price increases will be taken on any other product families. For specific SKU details please see the attached pages. While the new price list will be officially effective and published February 1, 2011, the price decreases will actually go in effect today so that you can take immediate advantage of them.

BLANCO's 2011 expansion of product and evolution of price combined with our passion to produce the industry's finest quality steel products make us the only branded selling solution for the 'new balance of value and price'.

Enclosed you will find our new STEELART PRECISION 16" brochure, which highlights the smartly-sized PRECISION 16" collection. With 16" front-to-back dimensions, PRECISION 16" leaves more room for faucet installation while protecting the integrity of the countertop material during fabrication. Please order this or any other of our collaterals at literature@blancoamerica.com.

We have an exciting 2011 planned for you in terms new products, new programs, a new SILGRANIT II color, innovative marketing, and a new website in February. We will be sharing more details with you in the next few weeks. As always, we thank you for your continued support of the BLANCO brand, and we look forward to continued partnership in the future.

Best Regards,

Marc Nover
President
Blanco America