



Danfoss Flomatic Corporation

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Date: December 16, 2010

To: Valued Danfoss Flomatic Distributors

Re: **Price Increase**
Effective: January 17, 2011

Thank you once again for your support of the Danfoss Flomatic Products. We truly value your business and strive to earn your continued support on a daily basis. At Flomatic, our primary focus remains to provide innovative product solutions and high quality valves built to last.

The strengthening global economy, weaker dollar, rising overall commodity prices and surging demand overseas is well known. Danfoss Flomatic, like everyone else, is severely impacted by these large cost increases and surcharges that our suppliers have passed directly on to us making this price increase announcement a necessity. Effective January 17, 2011, there will be a list price increase; The new supplement price list can be downloaded from our web site at www.flomatic.com in either Excel or PDF. We can also fax or mail you a copy by request. Our new 2011 condensed 4-color price book will be mailed in February with some new and exciting valve products.

Current customer quotes, for prior shipment to January 17, 2011 will be price protected. All other quoted projects need to be re-quoted.

Danfoss Flomatic Corporation appreciates your patience and support during this increase in pricing. We will continue to make every effort to minimize the impact on our customers.

Please, feel free to give me a call with any questions.

Sincerely,

A handwritten signature in black ink that reads "Nick Farrara".

Nick Farrara
VP of Sales & Marketing

Cc: Bo Andersson, Customer Service

High Quality Valves Built to Last . . .