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PACIFIC RIDGE
CAPITAL PARTNERS, LLC

December 15, 2015

Mr. Joshua Collins
Chairman, Board of Directors
Blount International, Inc.
4909 SE International Way
Portland, OR 97222

Dear Mr. Collins:

Pacific Ridge Capital Partners, and the shareholders we represent, have been long-term investors and supporters of Blount, its Board of Directors, and its executive management team. We are disappointed that the Directors of Blount have accepted such a low offer of $10/share for this Company. The timing and value of this transaction lead us to wonder whose interest the board is serving. It feels as if the board has fleeced the stockings of shareholders and left us with a lump of coal.

One of the duties of the board is to represent the interests of the shareholders and to act independently of management. We believe a $10 buyout for shareholders is beneficial only for the management team of Blount, and is a terrible deal for shareholders.

In our view, selling this Company now at $10 per share is like selling straw hats in winter. Why do we feel this way? We don't have to go any further than your own comments during the last year, and the materials issued with the announcement of this buyout on December 10 (please see attached letter). We quote from your own press release; specifically, the section "Frequently Asked Questions."

> "As you know, our business continues to be significantly impacted by macroeconomic factors such as FX, economic headwinds, and declining commodity prices in major markets across Europe and Asia and a global slowdown in the agricultural market."
>
> "We believe we have the right strategy and team in place, but the value that our plan can deliver continues to be hindered by the challenging macroeconomic environment."
>
> "Our businesses, facilities, and distribution centers are expected to all continue to operate as they do today."
>
> "We do not anticipate any fundamental changes to the Company, the Senior Leadership Team or your responsibilities."
>
> "It is important to note that the amount of debt that Blount will have after the transaction is completed is expected to be only slightly more than the amount we have today…that level is manageable and prudent."

You seem to be telling your shareholders that although the Company is currently experiencing short term problems, you have a great plan to fix them. However, your current shareholders that have been weathering the recent storm will not benefit.

In fact, your press release asks the question, "Won't the current public shareholders miss out on the upside?" Your answer to this question is an incomplete half-truth. In reality, according to SEC filings, nearly 86% of the Company's shares have been purchased for prices above the current deal price—in fact, the purchase price has been closer to $16 per share. This means that over 80% of your shareholders will lose money on this deal, all for a transaction that, in your own words, states that, "Other than no longer being a publicly traded company, we do not anticipate any fundamental change to the Company…the Company will simply have different owners."

Mr. Collins, how about the shareholders that have invested in and supported Blount, in good faith, over the long haul?

Only six short months ago, both the Board and you took shareholder money to buy back shares of Blount at prices much higher than $10. The Company has spent nearly $20 million this year buying stock back at prices higher than $10—again, closer to $16. Your judgment then was that the price was too low, so why is $10 fair now? Could it be that management gets to pocket a significant ownership stake in the ongoing entity, with hefty performance bonuses for doing nothing different than what they would be doing for current owners?

The current share price of Blount is a function of short term market trends, not fundamental operational issues. Your own comments on earnings calls and the press release of this buyout, provides confirmation of this. In fact, we need only to look back to the period of the Great Recession, when Lehman Brothers owned Blount. The stock traded for $4 per share for a short period of time before climbing north of $16 once the market returned to more "normalized" activities.

Your presentation to investors this June called for $1.1 billion in revenues by 2018 and over $175 million in EBITDA. This values the transaction you are contemplating at historic lows of both sales and EBITDA. The discount is nearly 60%. Numbers like that are quite attractive, and are no doubt eye-catching to P2 and American Securities, especially since nothing has changed since June.

Furthermore, the Company has a "go-shop period" through the end of January. This timeframe is far too short for any serious competitive offers to be made. Additionally, competing offers are not likely to be forthcoming when management has already committed to this inside deal.

You have said that the costs of being a public company are too high. In reality, the costs of being a public company are not material to the $850 million of revenues that Blount generates. There are at least 2,000 small, publicly traded small companies that manage these costs without any negative impact. Blount is no exception. In fact, the break-up fees are far more onerous to the Company than the expense of being publicly traded.

Mr. Collins, we urge the Board of Directors to rescind this $10 deal price. We will not be supporting this agreement.

Sincerely,

Mark D. Cooper
President – Pacific Ridge Capital Partners

(supporting documentation can be found at www.pacificridgecapital.com)