

CEO's Corner

Mission Statement: To Help Our Visitors Reach Their Health, Fitness and Appearance Goals Through Information, Motivation, and Supplementation.

How Bodybuilding.com Started: Part 3

It was 1998 (two years before the end of the world), and business was going great. We were selling more and more creatine monohydrate through our small web site, shipping it right out of my garage. We piled the creatine bottles high in my garage, using my old jet-ski as a shelf, and Jeremy would come over each day to help me ship them out. It was a very manual process, but we handled it. Our goal from the beginning was to ship our products out extremely quickly in order to get repeat business.

Soon we added another product, androstenedione, which was quickly becoming a popular prohormone supplement after home run king Mark McGuire announced he was using it. It was a new and legal product which gave people quick muscle building and strength results. We bought the domain androstenedione.com and started ordering 60 capsule bottles from our manufacturer.

This definitely helped increase sales, but we still knew we couldn't grow as big as we wanted with only two products on a couple of simple web sites.

One day while dreaming big, I noticed that the Bodybuilding.com domain name was not being used. A guy in California owned it, but he was not using it. I contacted him and asked him about selling it. Immediately, he responded and said that he would not sell it because he had big plans for using it. I was disappointed, but went on with my day. A few months later, I noticed the domain was still not being used. What a waste! I contacted the owner again and asked him to reconsider. This time he wrote back saying that he was busy with his current business and may never be able to get around to using the name. He might be interested in selling it at the right price. Great! Now we could see if we could get a deal done.

At this point, I couldn't think about anything else! I would go to Barnes And Noble and study business books, and each day I was thinking of more and more great ways to build a business that was not just about selling supplements, but being a place where people could learn, interact, and reach their fitness goals.

I had started bodybuilding in junior high, and ever since then it was a major part of my life. I would read every magazine, idolize the pros, buy supplements and drinks from GNC, and buy books about how to get big and ripped. I loved everything to do with bodybuilding. I first started working out at home after school was out at Fairmont, then I moved to Valley Gym where I worked out before AND after school nearly every day.

When I first heard of the Internet, I searched for sites and bulletin boards about bodybuilding. I found some small sites and communities, and I joined a few mailing lists. I couldn't believe how awesome this was! I was used to just reading the muscle magazines and talking to one or two of my friends that cared about working out, but now I could learn from thousands of people from around the world. I would spend hours online just surfing bodybuilding sites. It was like a dream come true, even though at that point there wasn't a lot out there compared to what was possible.

The idea of being able to use the Bodybuilding.com domain name to build the site that I personally would have wanted as a visitor was very exciting. I couldn't stop thinking of all the things we could do.

I continued to email the Bodybuilding.com name owner back and forth for weeks, trying to reach a deal that was acceptable to both of us. He had told me that at the same time a business owner in Japan was trying to buy it as well. After many rounds of negotiations, I finally offered \$20,000 cash for it.

A few days went by without a response. I would sit and check my e-mail every two minutes, praying for a positive response, dreading being turned down, and just wanting an answer so I could stop stressing out!

On one fateful fall day, I clicked the "Check Email" button for the one hundredth time so far that morning. A new message was coming through! I was sitting in my small home office with my two dogs lying by my side, patiently waiting for me to get up and take them for a walk. Bryna was at the gym, so I was alone, sitting in my old Office Max chair, in my underwear like usual. The message appeared in my Juno e-mail program. My heart stopped beating and I held my breath, involuntarily, as I read the first five words. "DEAL. It's yours for \$20,000."

I couldn't believe it! I started jumping up and down, running around my house in my underwear screaming. My dogs had no idea why I was acting like a Price Is Right contestant that just heard that it was their turn to "come on down"! They were barking and jumping around, following me around as I did my best not to kick them with each spastic jump. I felt like I had won the lottery and found a Willy Wonka Golden Ticket at the same time!

It was mine.
Now it was up to me to do something with it.

I hired my cousin-in-law Travis Smith to come help me start building the first version of the site since he knew how to write HTML. After many late nights brainstorming at Shari's diner, trying to find more products to sell than just our Higher Power line, and creating web pages, the site was ready to go live on April 13th, 1999.

On that day, we removed the "coming soon" page and put up the real site with a few clicks. I refreshed the <http://www.bodybuilding.com> site and there it was, Bodybuilding.com 1.0, looking back at my from my CRT computer screen.

I couldn't sleep that first night. I woke up that morning in my 1980's style water bed, struggled to get out of bed since my dogs were practically lying on top of my head, and stumbled to the computer to see if we had any orders.

We did! But it wasn't what I expected...
Stay tuned for part four!



Company Notes

Company Luncheon Dates:

- Corporate Offices Friday, April 25th
- Idaho Warehouse Wednesday, April 16th
- Florida Warehouse Thursday, April 10th
- Pennsylvania Warehouse Friday, April 18th

Happy Birthday!

Anthony Martin	Pennsylvania Warehouse	4/4
Anthony McLane	Idaho Warehouse	4/5
Jamie Myers	Pennsylvania Warehouse	4/6
Josh Brouse	Operations	4/6
Megan Broden	Customer Service	4/7
Randy Jackson	Web Development	4/8
Brody Leikvold	Idaho Warehouse	4/10
Johanna Plaunt	Pennsylvania Warehouse	4/14
David Orton	Customer Service	4/14
Katie Clemons	Florida Warehouse	4/15
Toni Bush	Florida Warehouse	4/16
Toni Kerper	Florida Warehouse	4/19
Timothy Salazar	Idaho Warehouse	4/19
Caleb Frankamp	Customer Service	4/20
Christopher Payne	Customer Service	4/22
Staci McCulloch	Finance	4/24
Candy Wells	Customer Service	4/25
Craig Roberts	Web Development	4/25
Brady Hook	Customer Service	4/28
March Pech	Florida Warehouse	4/30
Dennis John	Web Development	4/30

April MVP "Olympia" Olson Merant



Olson Merant has been with Bodybuilding.com for over 1 year now. In this time, he has proven his abilities with the shipping crew in the Florida Warehouse. Last month, he recorded a 99.95% and is over 99.77% accurate for 2008. Olson's work habits, along with his abilities, have moved him to the top of the shipping team and made him a very valuable employee. Olson is very punctual, and has only missed a few days of work over the past year, even while maintaining a part-time overnight job on the side. He is a dedicated employee that we rely on daily to achieve his goals without question. Olson is respected by his fellow employees because he is always on task, and willing to lend a helping hand. In his free time, Olson enjoys catching up on sleep and playing basketball.

Nominated Department MVP's

Web Supersite	Tyler Williams
Finance	Terry Mayer
ID Warehouse	Shaun Cook
Customer Service	Matt Biss
PA Warehouse	John Moawad

Department MVPs are awarded a \$5 gift certificate to an area restaurant.

Department Spotlight: Florida Receiving Department

Dept Mission:

To maintain the organization and accuracy of Bodybuilding.com's Florida inventory by receiving all shipments that our company orders in an accurate and timely manner. We are dedicated to maintaining the organization of all products throughout the warehouse so that our shipping team can provide accurate order fulfillment for our customers.



Manager: Matt Corvin

Stats: 15 employees

Counts Team:

Johnny Walker, Jay Pompey, John Andrews, and Rod Zanders are the Inventory Counts and Maintenance Team. They are responsible for the cycle counts on the warehouse inventory, which currently includes over 7100 separate SKUs and is growing by the day! Every month they are expected to count every product in our entire warehouse with only 17 workdays per month. They are also responsible for relocating products, adjusting product placements, maintaining the organization of our products, and making upgrades to our warehouse layout to ensure that the organization, accuracy, and flow of our inventory is the best that it can be.

Receiving Team:

Brian Blue, John Restrepo, Carlos Thomas, Monterrence Lopez, and Kenneth Owens are the Receiving Team. This team is responsible for bringing in all of the products that are delivered to our warehouse and making sure they are added to our system accurately. They unload our trucks, scan in and locate our products, and stock all incoming inventory into its appropriate location in the warehouse. We rely on these employees to accomplish their assignments with an extremely high degree of accuracy and efficiency to ensure that our inventory counts stay accurate and our customers receive the correct products.

Restocking Team:

Mark Pech, Andy Pyeatt, Anthony Barnes, and Jvashni Desanges are the Restock Team. They are responsible for restocking all the locations that are pulled by our shipping team throughout the day. With more than 1500 orders and many thousands of items being pulled from our shelves, this team is challenged on a daily basis to keep all of our locations fully stocked. The restock team makes it possible for our shipping employees to be able to pull orders quickly and accurately so that we can deliver our customer's orders as fast as possible.

Returns, Damages, and New Products:

Adam Ferrell and Rich Mejia handle all of our warehouse's returns, damages and new products. They process all of our returned orders so that we can put returned items back into stock and get a reship out to the customer as soon as possible. They also keep our inventory accurate by removing all damaged and expired products from our counts, and contact our vendors to receive credit on damages. They also handle all of the new products that we add to the site on a daily basis by making space for them in our warehouse and updating the inventory database with the accurate information on these items.

Bragging Rights:

We receive and check-in an average of 24 pallets and 92 packages per day. We count our \$5.5 million dollar inventory of more than 7100 SKUs every month while maintaining inventory accuracy higher than 97.8%. Replenish shelf stock quickly and accurately to meet shipping needs, and play a vital roll in contributing to a shipping accuracy of higher than 99.6%.

Future Goals:

To implement more efficient product placement schemes to decrease order pick time and increase pick accuracy. Research and initiate new operating procedures to help increase receiving accuracy, and all around efficiency.



Employee of the Month: Andy Pyeatt

Andy has been an employee with Bodybuilding.com for more than three years. He has spent some of his time here as a scanner on the shipping team and as a receiver on the inventory team. He now works on our Inventory Restock Team and operates the forklift throughout the warehouse. Andy has excelled in every position he has been asked to fill at Bodybuilding.com, and continues to be a very important part of our restock team helping meet their goal of keeping all locations in our warehouse fully stocked. Andy is also a certified fire fighter, dedicated beer pong player, and avid outdoorsman.



Bodybuilding.com Sightings

How dedicated are you to promoting Bodybuilding.com? If we had a contest, Jamie Whinery would probably win. Check out her new artistic way of spreading the word about the company!

Go To The Gym!

Remember that going to the gym 3 times a week per month will earn you \$35.00! Ask Staci McCulloch (HR Manager) for more details. The First reimbursements will be handed out in May for April's gym memberships.



Kind words from our customers



Employment Anniversaries

Thank you for your continued hard work and loyalty to Bodybuilding.com!!!

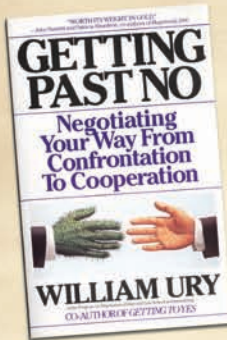
Will Wiedenmann	Web Supersite	04/01/2002	6 years
JP Ulmen	Web Supersite	04/11/2005	3 years
Andy Pyeatt	Florida Warehouse	04/20/2005	3 years
Jeff Newman	Customer Service	4/10/2006	2 years
Jim Vissotski	Idaho Warehouse	04/19/2006	2 years
Megan Broden	Customer Service	04/09/2007	1 year
Jonathan McCaughan	Florida Warehouse	04/09/2007	1 year
Sean Sullivan	Florida Warehouse	04/09/2007	1 year
Michael Caughey	Customer Service	04/23/2007	1 year

Changing Faces

A warm welcome to our Newest Employees!!

Ashley Burgin	Customer Service	Yolanda Moure	Pennsylvania Warehouse
Idrar Husic	Customer Service	Jamie Myers	Pennsylvania Warehouse
Jim Wolfe	Customer Service	Nicholas Plaunt	Pennsylvania Warehouse
Shawn Campbell	Pennsylvania Warehouse	Arreanne Redding	Pennsylvania Warehouse
Quintell Cornish	Pennsylvania Warehouse	Kelle Stevens	Pennsylvania Warehouse
Derek Darr	Pennsylvania Warehouse	Amity Welker	Pennsylvania Warehouse
McCall Davis	Pennsylvania Warehouse	Jason Dean	Web Development
David Deihl	Pennsylvania Warehouse	Debbie Kidder-Colwell	Web Development
Sahadarou Djibrilla	Pennsylvania Warehouse	James "Grif" Murray	Web Supersite
Robert Jordan	Pennsylvania Warehouse		

This Month's Book Program Beneficiaries



- Debra Olive
 - Jamie Whinery
 - Jason MacFarlane
 - Jennifer Cruz
 - Jeran Dahlquist
 - Matt Biss
 - Melanie Harris
 - Scott Wohlrab
 - Maria Aragon De Gonzales
 - Chris Bennett
 - Ashley Burgin
 - Mike Spaulding
 - Chris Ullery
 - Paula Viscetto
 - Bill Altman
 - Gregory Rodman
 - Eric Davis
 - Dannielle Gonnoud
 - Dan DeLuca
- "The Tipping Point"
 - "Customer Satisfaction is Worthless, Customer Loyalty"
 - "Strategic Database Marketing"
 - "21 Irrefutable Laws of Leadership"
 - "Arnold: The Education of a Bodybuilder"
 - "The Biggest Loser"
 - "Culting of Brands"
 - "Good To Great"
 - "Blink"
 - "Eat That Frog"
 - "A Passion To Lead"
 - "What is Lean Six Sigma?"
 - "Good To Great"
 - "America, The Book"
 - "Who Moved My Cheese?"
 - "Get Past No"
 - "Secrets of Staying Fit"
 - "Who Moved My Cheese?"
 - "Good To Great"
 - "Absolution"
 - "Good To Great"
 - "Time Power"
 - "The Great Game of Business"
 - "Primal Branding"

BOOKWORM BONUS

(This is the person who earned the most extra cash by utilizing the book program)
Matt Biss AND Scott Wohlrab! -Nice Work Guys!!

I appreciate the email and the excellent customer service. I assure you that little things, like e-mailing customers like myself, plays a major role in the success of your business which I am sure you are well aware of.

Lipo-6 has had a significant influence in the 25 lbs I have recently lost. I started a cutting cycle 3 months ago and I am now down to approximately 8% percent body fat. However, I still have some work to do.

I am about to order some new supplements within the next couple of days. Thank you for the support, advice, and great customer service that bodybuilding.com continues to offer those of us who demand superior physical fitness from ourselves.

SGT CLIFF PITTMAN
TRAINING NCO
HHB 142 FIRES BRIGADE

BODYBUILDING.COM