

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: The Very Beginning

In 1995, I was fighting acne while the Internet was just starting to become popular. I was a big fan of computers, and was lucky enough to be able to "get online" before a lot of my friends even knew what that meant. I was already dating my future wife, Bryna, and her mom worked at Micron. Micron provided her mom with a computer and an Internet connection through the Prodigy Internet service. From the very beginning, I was in awe of what you could do and find online. I spent a lot of time at Bryna's house surfing around, even while she was out working at TCBY.

I worked hard to become an expert on the Internet, and eventually made my first web page. I was so proud of it and showed it off to kids at school while we were in the library. I thought it was crazy that this HTML page that I made was magically viewable from any computer! This seems so basic now, but it really was amazing back then.

Soon I heard that people were making money from home on the Internet, and I wanted a piece of it. I read everything I could on business and entrepreneurship, while my friends were partying and hitting on girls. I started writing "special reports" that I could sell to others. I wrote about everything from getting in shape (I loved bodybuilding even more than computers), to how to use the Internet, how to start an Internet business, and getting your web page to come up at the top of the search engines. I couldn't accept credit cards, so people had to send cash in the mail. I charged \$5 for each report, and it only took me a few seconds to e-mail the report to each customer.

I promoted the reports using my search engine promotion techniques and soon my mom started asking me why we were getting so many random letters in the mail. I started receiving three to four cash orders per day. That doesn't seem like a lot, but back in high school, getting \$150 per week for doing almost nothing was pretty unbelievable to me. I never had money like that.

I was hooked.

Over the next few years, I would spend nearly every waking moment learning new ways to make money on the Internet. Looking back, I'm surprised that Bryna supported me so well, since that meant she spent a lot of time watching TV or reading while I was working on the computer.

Back then, not a lot of people knew how important getting to the top of the search engines was, and I focused most of my time on becoming the best I could at it. I was able to attract visitors from search engines and send them to other companies for a commission. I was making more than double what both of my parents combined were making. I had enough money to move to my own place. I was working from home, making great money, in my underwear, choosing my own hours, and I was my own boss. What else could I possibly want?

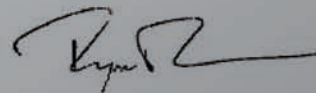
I got bored of it pretty quickly. I wanted to do more. I wanted a physical product to sell. I wanted to have a real company, with employees, customers, warehouses, offices, and more. I wanted to "go to work" and build something that would be important. I wanted something real and lasting.

This was the point when creatine started to get popular. EAS came out with their Phosphagen creatine product and it became the top selling muscle building product at places like GNC. It was safe and effective, and Bill Phillips from EAS promoted it to the world through his Body-For-Life program. The only problem was that it was extremely expensive. A 1000 gram bottle was around \$120!

I joined up with a bodybuilding friend and started contacting creatine manufacturers. We realized we could buy it at wholesale and sell it for only \$79, directly to the consumer. That's when our site, wholesale-creatine.com, first went online.

What happened next blew my mind and I made a life decision that most people called insane.

More to come in the next newsletter!!




Company Notes

A big CONGRATULATIONS to our HR Manager Staci on her recent marriage! She is no longer "Staci McKinstry," she is now "Staci McCulloch."

If you need to contact her for any reason, her new email is: staci.mcculloch@bodybuilding.com

Monthly Employee Appreciation Luncheons!
We're going to start having an office luncheon on a monthly basis.

- Corporate Offices Friday, February 22nd

Happy Birthday!

Stacey McCord	FL Warehouse	2/4
Cory Marsh	Web Development	2/4
Camille Harland	Customer Service	2/8
Reece Theobald	Web Development	2/9
Leron Brooks	FL Warehouse	2/10
Dave Middleton	Marketing	2/12
Nathan Guillory	FL Warehouse	2/14
Sarah Jones	Finance	2/21
Jamie Whinery	Marketing	2/21
Brian Crawford	ID Warehouse	2/22
Thong Phanthavady	ID Warehouse	2/26
Cindy Jarrard	Finance	2/27
Dan Grisham	ID Warehouse	2/27
Josh Pedersen	ID Warehouse	2/27
Tyler Williams	Web Supersite	2/28

February MVP Kelly Householder Chief Information Officer



Kelly Householder is the type of person that would win "Most Likely To Succeed" in his high school class due to his drive and discipline. His determination and focus on improvement has catapulted him from the lower ranks (PC Support) up to Officer at Albertsons to CIO here at Bodybuilding.com.

What's a CIO? It stands for Chief Information Officer, and that basically means that he is the head honcho in charge of our technology, software, network and hardware strategy. Since we are an e-commerce company that depends on being able to innovate with technology, Kelly's role is one of the most important in the whole company!

Kelly directly leads the development and IT teams, and works directly with the CEO and other officers to help create and implement the entire company strategy. His main focus is on finding and leading the best possible people, and working with them to take the ideas that the rest of the company comes up with and turn them into beautiful Internet reality.

When Kelly is not busy helping build one of the most-visited and highest value e-commerce companies in the world, he enjoys spending time with his wife Chris and his two boys (who will also be voted "most likely to succeed" based on what I've seen). Kelly is a private pilot of "real" airplanes, but he also likes scaring small helpless birds away with remote control airplanes, while laughing like Dr. Evil. He also rides motorcycles and is dedicated to his church.

We're lucky to have Kelly on our team! Over the next six months, he will be doubling the size of his development team to better support you and your department goals so we can continue to grow and help people reach their fitness goals!

Nominated Department MVP's

Paul Tarantino Marketing
Terry Mayer Finance
JP Ulmen Web Supersite
Paula Viscetto Customer Service
Nick Castle ID Warehouse

Department MVPs are awarded a \$50 gift certificate to an area restaurant.

Department Spotlight: Purchasing/Merchandising

Dept. Mission:

To provide our customers with the largest in-stock selection at the best possible prices to help them reach their personal goals.

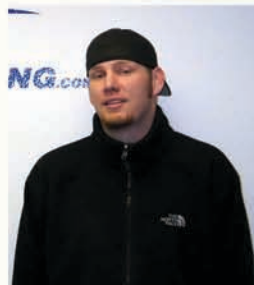
Facts/Stats:

- 2 employees
- Manage roughly 7,500 skus
- Backorder rate of 2.1%
- Manage and work with 406 different suppliers/vendors
- Manage inventory in soon-to-be all 3 Bodybuilding.com warehouses
- Make decisions on what products we carry and the prices we buy and sell them for
- Manage featured sections on our site where products are highlighted and promoted in key areas of Bodybuilding.com



Jeremy DeLuca- Senior VP Bodybuilding.com

Jeremy DeLuca is one of the owners of Bodybuilding.com and has been part of everything Bodybuilding.com has done since the beginning. He and his brother Ryan started BB.com in 1999 out of Ryan's garage! He focuses his time on vendor relations and negotiations with Bodybuilding.com's suppliers. He also manages all the advertising and promotional spots on the site!



Bill Baldry- Purchasing Specialist

Bill Baldry has worked for Bodybuilding.com since the summer of 2000. He originally worked part-time from 2000 to 2003, when he became a full-time employee. He started out in receiving and moved to purchasing in July of 2007. He has a lot of knowledge on the products and has been a big part of inventory management and purchasing for BB.com since he started.

Other Bragging Rights:

Purchasing is the reason for the new exclusive Bodybuilding.com flavors you see below. They have been the ones developing the products with the manufacturers and putting them into action. This gives Bodybuilding.com a competitive advantage that no one else has on these products!!

CytoSport Muscle Milk, 2.47 Lbs, Cake Batter
SciVation Xtend, Refreshing Apple
Optimum 100% Whey Protein, 5 Lbs., Vanilla Chai
4Ever Fit Fruit Blast - The Isolate, 2 Lbs, Apple

Coming soon:

CytoSport Muscle Milk, 2.47 Lbs, Brownie Batter
Optimum GlycoMaize, 50 Servings, Fruit Punch
BSN Cellmass Fruit Punch

BODYBUILDING.COM



Have you seen what's on Bodybuilding.com lately?



Tom needs absolutely NO introduction, but for anyone who has been living under a rock for the last 7 years, Tom has won three Super Bowl rings with the New England Patriots, including back-to-back Super Bowls in 2004 and 2005. He is regarded as one of the best quarterbacks of all time.

This past year he led his team to an unblemished regular season record of 16-0 and set the single-season touchdown record with 50 touchdown passes! In a Bodybuilding.com exclusive interview, Tom sits down to chat with us for one of his first interviews after Super Bowl XLII.

Kind words from our customers



Employment Anniversaries

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

Dannielle Gonnoud	Web Store	2/13/2006	2
Jeran Dahlquist	Marketing	2/24/2005	3
Paul Tarantino	Marketing	2/6/2006	2
Chris Keith	ID Warehouse	2/1/2006	2
Josh Pederson	ID Warehouse	2/28/2007	1
Nick Russell	ID Warehouse	2/14/2006	2
Anthony Barnes	FL Warehouse	2/7/2007	1
Antonio Brown	FL Warehouse	2/4/2006	2
Richard Meja	FL Warehouse	2/15/2006	2
Jahdiel Newry	FL Warehouse	2/8/2007	1
Monterrance Woodard	FL Warehouse	2/15/2007	1

Changing Faces

A warm welcome to our Newest Employees!!

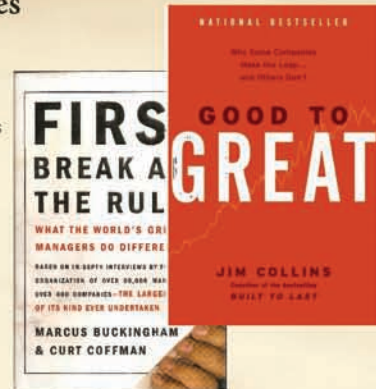
o Alexander Joyner	FL Warehouse	o Brandon Malm	Customer Service
o Leslie Powell	FL Warehouse	o Adam Morrison	Customer Service
o Frederick Williams	FL Warehouse	o Booker Nabors	Customer Service
o Peter Kuta	PA Warehouse	o Brandy Sturlin	Customer Service
o John Moawad	PA Warehouse	o Dominique Tucker	Customer Service
o Dione Allen	ID Warehouse	o Maria Aragon De Gonzales	Finance
o Shawn Cook	ID Warehouse	o Jed Reese	Operations

Department Changes/Promotions

o Erin Hogue	from Customer Service to the Finance Department
o Tyson Hunt	from Customer Service to the ID Warehouse
o Cindy Jarrard	from Staff Accountant to Office Manager
o Chelsey Hill	from Customer Service to the Finance Department

This Month's Book Program Beneficiaries

Debra Olive	Seven Habits of Highly Effective People
Matt Biss	The Nine, I Am America, So Can You!
Melanie Harris	Body Express Makeover
Scott Wohlrab	Credibility Leadership Skills For Managers
Josh Brouse	Good To Great
Adam Ferrell	Riding Shotgun
Kris Gethin	How Starbucks Saved My Life
Amy Gratiot	1st Break All The Rules,
Josh McInturf	Tales of Knock Your Socks Off Service
Jonathan Pompey	Game Over: 3
Sean Sullivan	Leadership Secrets of Attila the Hun
Johnny Walker	Game Over: 3
Shaun Cook	The Tipping Point
Matt Corvin	Getting Things Done



Hi Tommy and the rest of bodybuilding.com.

I have been buying various supplements for many years from you and find your range of products and prices to be excellent. It is even better now that the AUD is so high to the US (back in 2001 when I think I made my first order the rate was .48, now it is .88). The other thing that truly sets you guys apart is your customer service. Obviously living in Australia there is always a bit of a risk that things can go astray. This happened to me once when I lived in the UK (2003) and I emailed you guys after it seemed to be taking a bit longer than usual to receive my order. Anyway to cut a medium length story short your service department was amazing. They chased things up for me pronto and gave me an update very quickly. This extra level of service means I am always extremely happy and confident when I place an order. All I can say is keep up the truly great work - I am a ridiculously happy customer.

Now onto the AST Beta X - Well, I can't comment yet because I haven't started taking them. At the time I placed my order I also bought 3 bottles of the Athletic Edge nutrition's Beta-Alanine product called IntraXcell which I am gradually working my way through first. I am happy with this product so far though but will interested to see how the Beta X compares.

Kind Regards, Jack Woodrup