

From the President's Desk...



Many times over the years, I have been approached by other corporations or investors who wish to purchase AMSOIL Inc. I recently received another such offer in a letter stating that their research indicated we made excellent products and had a good management team in place. Yes we do and yes we have, but my response is and has always been, ... "not for sale".

AMSOIL enjoys an excellent reputation in the marketplace. Our name means high quality products to millions of people. This is bound to attract potential investors. It also has attracted the interest of some large retailers. They know the AMSOIL name is marketable. But there would be major drawbacks for us and our Dealers if we let them buy and sell on their terms.

Some time back, one of our Dealers asked AMSOIL to assist in preparing a proposal to a large discount retailer. We backed out when the discounter insisted on purchasing and selling our products at a lower price than our Dealers can purchase and sell the products for. In essence, we turned our backs on a possible multi-million dollar a year sale because we knew it wasn't good for AMSOIL Dealers.

AMSOIL is committed to multi-level marketing and to our Dealers. We won't do anything that we feel will hurt our Dealer network. There have been a number of MLM companies who have used their dealers to put them on the map, then turned their backs on them and abandoned MLM for conventional marketing. Can you imagine how frustrated and disappointed those dealers had to be? All their work building sales organizations went down the drain.

That will never happen here at AMSOIL. We have a great relationship with our Dealers, and we like it that way. We make a great team, AMSOIL INC. and you

Dealers. We are all growing and prospering together in this business and that's exactly how our marketing plan is designed to work. And whether it be someone trying to buy this company or someone trying to undercut our Dealers, we don't want any part of it.

Part of our mutual success has been due to our promotional efforts, which include our racing promotions. Have you seen the December 24 issue of *Snow Week* magazine? It is quite an exhibit of AMSOIL snowmobile racing. The front cover features a full page photo of Justin Tate flying through the air on a machine that is totally emblazoned With AMSOIL logos. Inside is a double page ad for Ski-Doo showing Justin's number 28 machine, again covered with AMSOIL logos. Then the feature story is about Justin Tate's win at the Spirit Mountain, Minnesota race. AMSOIL totally dominated this issue of *Snow Week* magazine.

AMSOIL's supercross racing season got off to a blazing start, as well. As noted in our racing update in this *Action News*, all four of our riders accepted awards at the supercross season opener in Anaheim, California.

You just can't buy advertising like that. Seeing our name over and over in magazines and our riders on the winner's podium gives tremendous credibility to the performance of our products. That, after all, is the reason we're involved in racing in the first place.

I also want to congratulate our Dealers for taking advantage of our presence and success in racing. Our performance products sales have increased tremendously this past year thanks to your efforts and our racing promotions. This is especially true of our two-cycle oil sales, which have increased over 50% this past year. That, on top of a 50% increase over the previous year, makes our two-cycle oil one of our best selling products today.

The fact is, our sales should be increasing dramatically, because we make the best products in the world, period. A friend of mine told me about an acquaintance who was researching lubricants over the Internet and determined that AMSOIL made the best motor oils and Mobil came in second. But he said someone made the comment that the owner of AMSOIL was an "arrogant" son-of-a-gun.

I suppose I may have that reputation with some people, because I know our lubricants are the best made and I'm not shy about saying so. If that's being arrogant, then I guess I'm arrogant. But in business, you've got to "toot your own horn", because if you don't, nobody else will. Of course, you must have something legitimate to toot about or you could be labeled a blowhard.

Fortunately, we all have something to "toot" about these days. Our products are excellent, our dealerships are growing, our promotions are successful, and our sales continue to grow. Your wagon is hitched to a winning team. We're on our way to another banner year in 2002. Let's continue making things happen together!

A handwritten signature in blue ink that reads "A. J. Amatuzio". The signature is fluid and cursive, with a long, sweeping underline.

A. J. "AJ" Amatuzio
President and CEO, AMSOIL INC.