

Newsletter 3rd Qtr. 2009 Volume 3 Issue 3

WHILE MUCH OF THE WORLD STUMBLES, THE ABRO FAMILY **KEEPS ON RUNNING STRONG!**

by Peter F. Baranay

It should be no surprise to anyone that the world is mired in a global economic crisis. The housing price bubble that burst in America led to a bartial collabse of the transatlantic financing system. Like a forest fire, these problems have spread across the globe and affected



Solid products, great value and reliable distributors make it possible for ABRO to grow even in hard times.

business people on every continent and virtually every country.

Two of the "Big Three" American car manufacturers are only still alive due to massive intervention on the part of the U.S. government. Many of our banks failed and the surviving ones also had to beg for help from Washington.

Less reported is the fact that small and medium sized businesses are failing at an alarming rate. These are businesses much too small to ask for help from the government and, with most banks not lending as they recover from their brush with death, they cannot get the capital they need to continue operations.

ABRO STANDS APART!

Unlike virtually every other business in the country, ABRO sales grew in 2008. The first half of 2009 continues this strong pace of growth. ABRO's growth is a direct result of our distributors' growth. Many ABRO distributors are using their competitors' weakness during the crisis to spread into new markets.

The question that some may ask is...why? Why when everyone else is having such problems is ABRO doing so well?

I believe the answer comes down to three factors:

I. SOLID PRODUCTS

ABRO's product line was never built around luxury items or unnec-

essary trinkets. Our products are not indulgences, but the type of everyday items that a person needs in both good times and bad. We have always focused on products that would be good sellers regardless of the overall economic situation and we are reaping the benefits of that strategy now. ABRO has always focused on selling no-nonsense products that can stand the test of time.

2. GREAT VALUE

Not only have ABRO products always been competitively and reasonably priced, but that price discipline has never come at the expense of quality. Our products are invariably the best in the field, and for less money than our competitors.

You can make some quick cash as a producer by selling poor quality junk at a super-cheap price, or by repackaging a mediocre product and charging high prices for it supported by slick marketing campaigns, however, these methods will only work for a short time. Consumers aren't stupid and they will quickly reject the idea of wasting their money on products that don't work or are overpriced. ▶

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As our competitors have lost customers in great volumes, we see that ABRO customers remain loyal to our brand. They know what to expect from ABRO and they appreciate the quality they get for their money with ABRO.

3. SOLID TEAMWORK

While many ABRO distributors are the sole source of ABRO products in their respective territory, no ABRO distributor is ever alone.

Here at the ABRO world headquarters, we work hard to make sure that our global network of distributors is interconnected. This allows them to learn from each other. A good idea in Honduras or Nigeria can quickly be seen and used effectively in Saudi Arabia or Russia. While other companies used events similar to our annual gathering in Las Vegas as nothing more than an excuse to have a party, I have seen incredible cooperation and assistance take place there. So it is no surprise to me that an organization that has ideas from around the world to draw upon can survive an economic storm better than companies that are stuck in one place. **YOU** have taken the best ideas from around the globe and adapted them to **YOUR** local situation. Our competitors have not been as well prepared and they are now paying the price for that failure.

Moreover, we have consistently been using our combined purchasing power to ensure that we get the best support possible from our suppliers. This has kept our prices low and our product selection high – assets that are more valuable now than ever before.

IN CONCLUSION

But of course the real answer is even more simple – **YOU**. Without each and every one of our distributors, ABRO would not be in the strong position it is today. So as I watch other businesses fighting to keep their heads above water, I just wanted to say "thank you" to all of our business partners around the world who have worked so hard to jointly build this very successful and very stable company.

Peter F. Baranay

President, ABRO Industries, Inc.

FAR EAST Tim Demarais, VP ABRO Visit to the Canton Trade Fair in China

In April, ABRO's Vice President, Mr. Tim Demarais, visited the Far East where he attended the 105th Canton Trade Fair in Guangzhou, China. At the show, he met a number of long time ABRO customers including Mr. Amin and Mohammed Alimi of Alimi Brothers, Sana Yemen, Mr. Salim of ATRACO, Riyadh, Saudi Arabia, as well as Mr. Valery Avdeev and his son, Alexey, of Albionex Company, based in Rostov, Russia.



Tony Chan, Sandy Chan, Mr. Demarais (ABRO U.S.A.), Mr. Zhou (President of Guangdong Smith Technology) and Joel Shi.



The Canton Trade Fair in Guangzhou, China, is the largest automotive trade show in the Far East.

While in China, Mr. Demarais also visited Guangdong Smith Technology Co. Ltd. who is our authorized masking tape distributor in China and has seen a nice increase in masking tape business this year in China. Mr. Demarais spent several productive days visiting the Smith facilities in Shantou, China who has recently opened up a second factory and converting facility in Shanghai, China.



FAR EAST

Tim Demarais, VP ABRO Visit to the Canton Trade Fair in China

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Mr. Demarais also visited with our authorized distributor of automotive chemicals in Dong Guan, China, Dongguan Wan Long Auto Products Trade Co. He had a very productive meeting with Joanna Long who is the managing

Joanna Long, Managing Director of Dongguan Wan Long Auto, demonstrates the use of one of our new ABRO products.

director of the company. Dongguan Wan Long Auto is working on selling a number of higher end automotive additives in China under the ABRO name.

Also, Mr. Demarais, recently visited our production facility for ABRO motorcycles. He was very impressed with the fact that the production facility has a land area of over 95,000 square meters and a building area of over 70,000 square meters. This modern facility is fully supported by



Mr. Demarais on one of the ABRO motorcycles designed for the African market.



Lyman Zeng, ABRO's supplier for Chamois and Sponges, is meeting with *Mr.* Demarais and staff members at the Canton Trade Fair.

its professional sales and technical teams as they are fully equipped with advanced production facilities. The factory has the capacity to produce 250,000 motorcycles annually and there are three modern motorcycle assembly lines. During his visit, Mr. Demarais discussed adding several new models to ABRO's existing motorcycle line.



During his Far East tour, Mr. Demarais also stopped in Bangkok, Thailand and met with Coala Enterprises which is one of ABRO's oldest customers as they first began buying ABRO masking tape 25 years ago. Mr. Demarais is shown with Mr. Thatri of Union Bangkok who coordinates our business activity with Coala as well as Mr. Suchin who is the general manager of Coala.

ABRD

BOSNIA-HERZEGOVINA AVANTI

20 Successful Years in Business



Avanti Family: Irmin Abaspahić, Jasmin Abaspahić, and Vanela Sojtaric.

This June marked the 20th year anniversary for Avanti. It also marked 15 years of business with ABRO. The Avanti business continues to grow, as they are very committed to ABRO.

Avanti's stores, headquarters, and warehouses are all located in Sarajevo. Plans for a new ABRO warehouse have been made, and they hope to have construction finished in 2010.

Avanti continues to invest money into their ABRO business in a number of ways. They have an entire fleet of ABRO delivery vehicles which includes cars, trucks, vans and trailers. Avanti also creates its own

ABRO catalogs for them and their distributors in neighboring markets. They translate the entire catalog.

Avanti also used its 20th year anniversary as a recent marketing tool. They inserted 100,000 brochures in Bosnian papers. These brochures promoted their 20 year anniversary, as well as the full range of ABRO products. They have also created an "Avanti Club Card". This enables frequent customers to get special promotions, discounts and be eligible for



Avanti has a fleet of delivery vans and a large driving staff to quickly deliver any ABRO products.



ABRO and Avanti relations go back more ABRO and Avanti relations go back more than 15 years. Shown here are Mr. Demarais with Avanti distributors in Sarajevo, 2002.

special prizes. For 20 days they gave out 20 prizes to customers.

From Thursday, June 4th until Sunday June 7th, Avanti was one of the main sponsors of the Hakija Turajlic Memorial Boxing Tournament which was held in Sarajevo. The event had a great turnout, the finals were televised locally and 20 prizes were also distributed during each day.

We are very happy to be working with the great people at Avanti. We congratulate them on 20 years of success and we are excited about their future.



Avanti's main store and corporate headquarters, located in Sarajevo, Bosnia-Herzegovina.







An extensive marketing campaign is the key to Avanti's success. For the 20 year anniversary, Avanti offered the "Avanti Club Card". Avanti publishes annually an ABRO product catalog. Over the years, Avanti sponsored many sporting events and recently sponsored a boxing fight that took place in Sarajevo.



BALKANS AVANTI Visit to ABRO Distributors



Avanti is also the ABRO distributor in its surrounding countries. They work directly with distributors in Croatia, Kosovo, Macedonia, Monte Negro, Serbia and Slovenia. Over the years, Avanti has founded and established relationships with these companies in the Balkan Region. All orders are delivered from Avanti to the distributors in the neighboring countries within 24 hours.

The large fleet of trucks and vans allows them to be very flexible with the orders. Avanti's plans for a new and bigger warehouse will allow them to service this entire region with even more efficiency than they currently offer.

Jasmin Abaspahić (AVANTI), Irmin Abaspahić (AVANTI) and Michael Molnar (ABRO USA) spent one week in June visiting all of the ABRO distributors in the Balkans.



RECENT TRADE SHOWS

AMT-28 at the SIA Kiev International Motor Show

AMT-28 once again participated at the SIA Kiev International Motor Show. The show was held during the last week in May and it proved to be a great success. New business opportunities were discussed and new business contacts were made. ABRO notebooks, pens and calendars were given to all current and prospective customers. They have already begun to discuss plans for next year's show.

In Dneppropetrovsk, AMT-28 has a huge, new warehouse. This new warehouse more than doubles the inventory capacity of ABRO products in Ukraine.



Natasha and Yuriy Rabinovich, owners of AMT-28, with Igor Zorin (ABRO Russia), Dmitriy Pochtin, Michael Molnar, (ABRO U.S.A.) and Evgeniy Ezhenkov infront of the AMT-28 ABRO trade show booth in Kiev.



Michael Molnar, (ABRO U.S.A.) with Yuriy Rabinovich at the new AMT-28 warehouse. The 600 sqm space allows AMT-28 to easily store about 10-12 container loads.



TREG AUTO participated in this year's PANAIR International Spring Fair from April 9th to April 13th. The fair was held in Tirana, Albania. A complete assortment of ABRO products was on display. The live demonstration on how to use ABRO-COLOR Automotive Polish drew a large crowd.

Alsar International

is ABRO's new distributor in the Czech Republic. This year they participated in their first trade show. The BVV Veletrhy Brno Auto Salon was a great opportunity for them to show that ABRO is establishing itself in the market.

Additionally, Alsar International has sponsored golfing events in the Czech Republic to create brand recognition.



Alex Sarkady, Sr. and Jr., owners of Alsar International, with Michael Molnar, ABRO U.S.A., and show assistants Veronika Palarcikova and Michaela Pavelkova.

NEW - NEW - NEW ABRO BOOTH IN LAS VEGAS 2009

Our newly designed ABRO booth will be able to accommodate the ever increasing number of ABRO visitors. The booth space was enlarged from 20' x 30' to 20' x 40'. We now have two enclosed meeting rooms and an easy accessible computer terminal, allowing our distributors to check emails and skype home. We know Daniel and Joshua will be delighted!



Location:

Booth: 4071 Sands Expo Center Las Vegas

Show Dates:

Tuesday, November 3 through Thursday, November 5, 2009



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ABRO RISING STARS

BELARUS



Igor Medvedev, Informtorgservis Ltd. with Mike Molnar (ABRO U.S.A.)

BELARUS

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Mr. Igor Medvedev (President of Informtorgservis Ltd.), has been able to introduce ABRO's full range of products in Belarus.

Mike Molnar (ABRO), recently visited Belarus and toured some of the major stores and markets in and around the capital Minsk. It took quite some effort to establish the ABRO name but now it is definitely paying off.



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Nidal Iseed, Issa Karmout, Sonny Sohrab (ABRO U.S.A.), Rami Karmout and Osama Karmout at Karnco Office in Jordan.

JORDAN

Our business in Jordan has continued to grow over the past 10 years due to the effort of our exclusive distributor in Jordan (Kamco Office). During a recent visit to Jordan, it has become evident that Kamco Office has taken their business to another level by distributing the ABRO products throughout the country. They have also made a commitment to increase their business by adding new products in every shipment. In order to be able to accomplish this and serve their customers in an efficient manner, Kamco Office has invested in several new warehouses so they can keep sufficient stock of all ABRO products ready for distribution.



JAMAICA

Customers in Jamaica have absolutely no trouble remembering the name of our ABRO distributor there.

Beep Beep Tyres has strong name recognition backed by the hardest working sales staff on the island. Now that Beep Beep Tyres also has highquality ABRO products to sell, Mr. Dani Gonzales, Managing Director of Beep Beep Tyres in Jamaica, expects that their business will grow dramatically over the next couple of vears.

Jamaica has always been a major trading partner with the United States and with the ABRO/Beep Beep Tyres partnership, the sales numbers will continue to grow.



ANGOLA CORENAL Visit to ABRO World Headquarters

Mr. Festus N. Ubabudu visited the ABRO headquarters in June of 2009. He spent time discussing new products and current affairs in Angola. Mr. Ubabudu has created many interesting ABRO promotinons. He is in the process of promoting ABRO with a 12m x 3m product banner (see right). Mr. Ubabudu has worked closely with ABRO and the sales of ABRO products continue to grow in Angola.





PANAMA DISTRIBUTORA DE ADITIVOS ABRO is growing fast in Panama







It was only one year ago that ABRO Panama moved into their newly built distribution center. The new building provided them the additional space they needed.

However, their sales were growing even faster than anticipated and extra storage space was needed. So Distributora de Aditivos recently added on to the building.

Guillermo Herrera, owner of Distributora de Aditivos, has also purchased an additional delivery truck. His business is growing so fast that a new truck wasn't a luxury, it was a necessity. Guillermo Herrera takes great pride in the ABRO name and knows the value that a rolling billboard can provide. So he had added dramatic graphics to the sides and back of the new delivery truck.

Not only did he show some of his best selling ABRO products, he also displayed the red sportscar currently featured on our calendar poster.

The only question now is which is faster – the red sportscar or the growth of ABRO Panama's sales?



URUGUAY DALUC Graffiti Event Was A Huge Success



The Hip Hop Graffiti Competition sponsored by our ABRO distributor in Uruguay was a huge success. Just as company owner Dario Nieves had planned, the event not only increased the visibility of the ABRO name in Uruguay, it also showcased the high quality of ABRO spray paint to the general public. While graffiti was once nothing more than the act of vandals, it has now become a respected form of art. ABRO Uruguay has joined with many of our other distributors in using the high visibility of graffiti shows such as this to promote their business in a fun and creative way that really catches the public's attention.

Counterfeit Update





ABRO DECLARES WAR ON COUNTERFEITERS!

A series of police raids striking counterfeiters across the globe has sent the message to the counterfeiters that ABRO is at war with them.

Police raids in China, Pakistan, Saudi Arabia, Yemen, Ukraine and Honduras have recently turned up the heat on anyone trying to trick the public by selling fake ABRO goods. The raids have resulted in tens of thousands of dollars of seized goods, expensive fines levied against the counterfeiting companies



Government agents in Saudi Arabia seized counterfeit ABRO merchandise.

and even the arrest on criminal counterfeiting charges of some of the key criminals.

But this is just the beginning!

I was brought in to put an end to the counterfeiters, and just as a street fight doesn't end after the first punch, the counterfeiters aren't ready to give



Chinese officials destroy thousands of counterfeit ABRO goods.



Ukranian officials supervise the seizure of counterfeit ABRO items.

up yet. So we have people around the world preparing for even more raids, fines and arrests in the future.

But this string of successes sends a clear message to the counterfeiting community that ABRO is 100% committed to protecting its good name and strong reputation around the world. While some



Counterfeit Update



ABRO DECLARES WAR ON COUNTERFEITERS

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manufacturers will tolerate the illegal theft of their logo by these criminals, ABRO has gone – and will continue to go – to whatever lengths are necessary in order to ensure that when a customer purchases an ABRO product, they know they are buying the best.

William Mansfield Director of Intellectual Property



A store owner in Pakistan is informed that he faces severe penalties as a result of his sale of counterfeit ABRO merchandise.



Police in Honduras seize fake ABRO items



HONDURAS AGENCIA LA MUNDIAL RAID AND AD CAMPAIGN TO INFORM CUSTOMERS

The ABRO distributor in Honduras, Agencia La Mundial, was recently able to strike back at the counterfeiters trying to invade this market with fake products. Working with police, they arranged for the raid of a warehouse containing a significant amount of counterfeit "ABRO" Super Glue. Now instead of being sold throughout the country and stealing the sales that are rightfully his, this shipment is destined for destruction by the Honduran government.

As a follow-up to this successful action, the owner of Agencia La Mundial, Kenny Yuja, arranged for the two ads shown left to be placed in a prominent newspaper. The ads warn consumers of the dangers of purchasing or trafficking in fake "ABRO" products. They also provide consumers with information on how to spot and avoid such counterfeits. Mr. Yuja expects these actions to have a positive effect on his future sales of genuine ABRO merchandise of all types.

NEW PRODUCTS + NEW PRODUCTS + NEW PRODUCTS

APPEARANCE:

GLASS CLEANER - NOW AVAILABLE AS PUMP SPRAY & AEROSOL



PREMIUM GLASS CLEANER

New Formula - Now as Pump Spray

PART NO. GC-300	
22 FL OZ / 650mL	12/CASE

PREMIUM GLASS CLEANER

Same Great Formula - New Design

PART NO. GC-290	
15 OZ / 425g	12/CASE

SERVICE FLUIDS:

BRAKE FLUID - 250 ML NOW IN THE WAREHOUSE

HEAVY DUTY DOT 4 BRAKE FLUID

- Compatible with All DOT 3 and DOT 4 Fluids
- Recommended for ALL ABS, Disc, and Drum Braking Systems Including Hydraulic Clutches
- Meets or Exceeds SAE Spec J1703 and FMVS No. 116

PART NO. BF-99-4-P250	
8.4 OZ / 250mL	24/CASE



APPEARANCE

PROTECT-ALL - NEW SIZE



PROFESSIONAL QUALITY PROTECT-ALL

- Reduces Weathering and UV Damage
- Beautifies and Protects Vinyl, Rubber and Leather
- Convenient, Non-Aerosol Pump Spray
- Fresh Scent Lemon Aroma

PART NO. PA-312 4 fl. OZ / 120mL

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HELP ABRO DEVELOP

ABRO is always looking for new product ideas to ABROnize.



12/CASE

Our volume and market power allow us to be competitive with anyone.

If there are specific products in your market that you would like to sell under the ABRO name, please contact us. We want to hear your ideas.

<u>abro@abro.com</u>





Proud father Ahmed Alushibe with his new born son Mohammed and Sonny Sohrab (ABRO) at the hospital in South Bend, Indiana, U.S.A.

Congratulations!

NEWEST ABRO FAMILY MEMBER JUST ARRIVED

ABRO Industries, Inc. would like to congratulate Mr. Ahmed Alushibe and his family on the birth of their son, Mohammed, in South Bend, Indiana on June 22nd.

We are looking forward to training and working with him as a future salesman of ABRO products in Libya.

Meet ABRO's Staff

Have you ever wondered who that friendly ABRO person is you are talking to?

Please meet Rosa Riche

Rosa is ABRO's receptionist, bilingual operator, and shipping and receiving clerk. Rosa has been a key member of ABRO for over 11 years. Anytime you call ABRO, the friendly person redirecting your phone call will most likely be Rosa. Over the years, Rosa has become an expert in how to pack even the most fragile items so that they can be safely shipped across the globe. As a native of Puerto Rico, Rosa handles many Spanish language issues that arise in the course of the day. She also oversees the entryway to the ABRO building. So if you come to visit our offices, it is likely that Rosa's smiling face will be the first thing you see upon your arrival.

When not at work, Rosa likes to shop, going out to dance, and work out in the gym.



!!! LET'S SHARE IDEAS !!!

All of you are very creative when it comes to promoting the ABRO name. We have seen ABRO sponsored events and teams, catalogs, DVD's, websites and promotional giveaways just to name a few. We would like to share some of these great sales tools with all of you.

FEEL FREE TO SEND US YOUR GREAT IDEA!



ABRO on the Streets of Jeddah

If you are ever wandering the streets of Jeddah in Saudi Arabia, don't be surprised if you spot a larger than life bottle of ABRO Power Flush next to you on the road. Abdul Ghani, the owner of United Norcom – a distributor of ABRO products in the Kingdom of Saudi Arabia, has outfitted one of his newest delivery trucks with the ABRO name as well as several images of top-selling ABRO products. This has turned his truck into a free mobile billboard that he expects to help increase sales.