



A Great Australian Franchise System
One of Australia's best known specialist auto accessory stores!



member since 1992



PROUDLY AUSTRALIAN
OWNED

AUTOBARN... ONE OF AUSTRALIA'S BEST – KNOWN SPECIALIST AUTO ACCESSORY STORES!



A short history:

In August 1985 the “Autobarn Co-operative” was founded in Melbourne. The original Group consisted of nine members with eleven retail stores, located in Melbourne and major Regional centres throughout Victoria.

The Autobarn Co-operative was established to combat an increasing threat to the specialist-retail market from department stores, discounters, service stations and hardware stores. The objective of the Co-operative was to provide the Group with greater buying power, more advertising, expanded marketing opportunities – and a forum for the exchange of ideas and experiences. The group performance proved so successful that within five years its membership had expanded to 28 stores, all trading under the “Autobarn” name.

Its successful approach to retailing automotive parts and accessories included paying special attention to customer needs, providing customer service levels above expectations and attuning itself to the needs of the emerging female customer. In 1990 the members of the Co-operative decided that the concept and system had been successfully developed and provided a strong foundation to offer the Autobarn system as a franchise opportunity. As a result, the co-operative was converted into a franchise company.

In December 1990, Autobarn Pty Ltd was launched with all the former co-operative members acquiring an Autobarn franchise. From the beginning, the basis of the Autobarn approach to retailing has been a recognition that a successful trader must be ‘customer focused’;

At Autobarn, we provide Franchisee's with a multi-tiered support and management system that is “Franchisee-oriented”. Autobarn is now Australia's largest franchised specialist auto accessories retail group, with over 94 stores, spread from Darwin to Hobart.

Products range from spare parts and accessories to the latest in-car entertainment systems, state-of-the-art car security systems, a wide selection of car cleaning and maintenance products, paint and body repair items and an evolving car performance range especially catering for the 4 & 6 cylinder market. Autobarn offers a complete audio installation service which ensures customers a high level of professional expertise.

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WHAT DO YOU NEED TO BE A SUCCESSFUL AUTOBARN FRANCHISEE?



But most of all, the successful franchisee, fully adopts the practices of the Autobarn system!

Many of Autobarn's most successful Franchisee's have come from diverse backgrounds such as teaching, the public service and the financial services sector.

However, the one thing they all have in common is good people skills!

Business acumen, ability to communicate, self motivated, ambitious, dedicated and passionate — with a strong desire to succeed, prepared to learn and to adopt new ideas, and a keen interest and desire to run their own retail business are attributes which identify our most successful Franchisee's.

An interest in and knowledge of cars would be helpful, but is not essential.

AUTOBARN FACTS AND FIGURES

Autobarn is a major participant in the Automotive Aftermarket Industry (AAAA) in Australia. Products typically sold through all stores in the Autobarn network are:

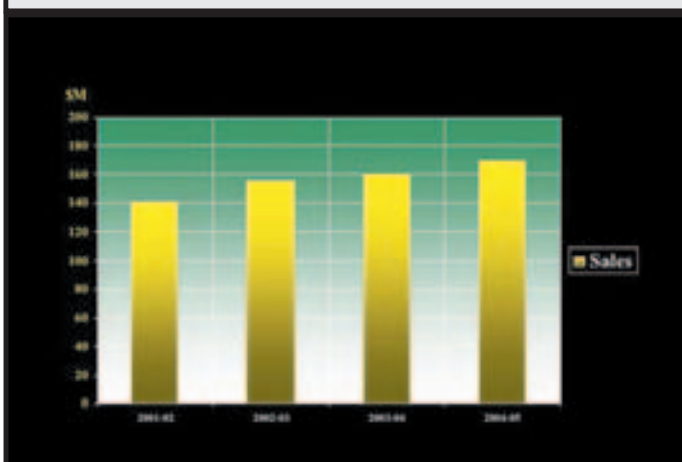
- Automotive spare parts & accessories
- In-car entertainment systems
- Motor vehicle security systems
- Oil & additive products
- Body repair & paint
- Motor vehicle performance products

Autobarn currently operates two company-owned stores located at Doncaster (in Victoria), and Ipswich (in Queensland).

There are currently 94 franchised stores in the Autobarn system, comprising:

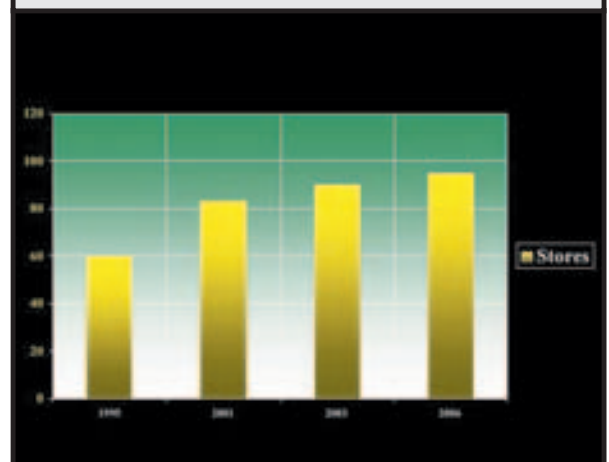
• Victoria	38
• Tasmania	4
• South Australia	4
• New South Wales	20
• ACT	2
• Queensland	25
• Northern Territory	1

Autobarn Sustained Sales Growth
2001 - 2005



Gross sales of the Autobarn network for the period July 1, 2004 to June 30, 2005 were in excess of \$170,000,000.

Autobarn Network Growth
1985 - 2004



Planned, continuous growth in the store network has been a special feature of the Autobarn Business Plan since 1985.

AUTOBARN'S STATEMENT OF CORPORATE OBJECTIVES

"To provide opportunities for small to medium size business to compete, be profitable and grow by being part of a strong retail franchise group".

From the experience gained over the years, Autobarn firmly believes that franchising is the best system for small business, winning the best franchise system in Australia in 1999, 2003 and 2004.

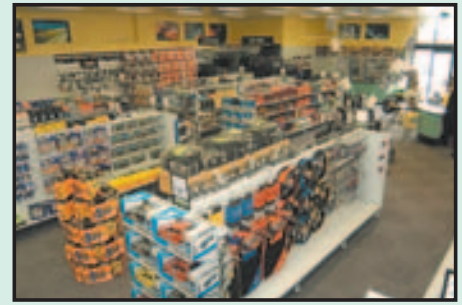
Autobarn is very much a franchisee oriented business.

This is very strongly reflected in the way the business is directed and conducted.

Our focus is on developing and growing a strong, vibrant and profitable national specialist retail organisation, which is committed to meet and fulfil its responsibilities to its franchisees.

Autobarn's approach is based on the belief that its own success is closely linked to the success of its franchisees, and underpins the way Autobarn manages its franchise system.

The Mission Statement confirms Autobarn's commitment to the success of every individual franchisee operating a business within the franchise system:



STARTING YOUR OWN BUSINESS THROUGH FRANCHISING!

The Franchising concept presents you with a great opportunity to go into business with the backing and experience of an established and proven retail approach and management system.

Over the last ten years the franchising concept has grown rapidly and is now one of the most popular ways of starting a small business. Australian and international studies have confirmed that the survival rate of a franchised business is significantly greater than that of an independent small business in general.

These same statistics show that, not only is the success rate greater, but so is the growth rate of a franchised business in relation to the number of outlets and sales compared to small business generally.

Franchisees enjoy a competitive edge by their use of a well-known brand, marketing and advertising expertise, distinctive business appearance, and access to a broad range of products, services and training programs.

The old saying that "there is strength in numbers" is now truer than ever before as the business environment becomes more challenging, and the need for additional expertise increases.

Furthermore, as a franchise matures the brand name and trademark become more valuable.

Every individual franchise business adds value not only to the group as a whole, but to the business of every Franchisee. Similarly, as the franchise system grows in numbers, the multiplicity of sites creates a more powerful market presence and consumer awareness that benefits all Franchisees.



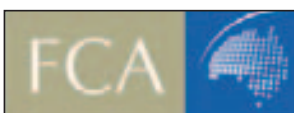
SO, WHAT IS FRANCHISING?

Franchising is a business partnership whereby a Franchisor grants a right to an independent person (Franchisee) to use the Franchisor's business concept, proven business systems and trade marks for a fixed period of time, for a fee.

WHY AUTOBARN ADOPTED FRANCHISING?

The original idea behind the Autobarn concept was to co-ordinate the advertising and marketing activities of a small group of existing and experienced specialist retailers of automotive aftermarket products.

A longer term objective was to develop a strong corporate identity and an awareness level in the marketplace to compete effectively with a growing penetration of competitors from other sectors of the retail industry; hardware stores, discount department stores, service stations and other buying groups.



HOW DOES THE AUTOBARN FRANCHISE SYSTEM WORK?



In simple terms, if a potential Franchisee wants to become a part of the Autobarn system and own and operate an Autobarn store, an initial franchise fee is paid to secure the right to operate a store for a period of seven years, with an option for a further seven years.

Autobarn will advise on the correct site for the store, train the new Franchisee, assist in personnel employment and prepare the store for opening.

Further assistance is provided during the initial trading phase and on-going support is maintained. For this, the approved Franchisee pays a monthly service fee.

The Franchisee also contributes monthly to a group-advertising fund, which is used to provide the group with consistent advertising support.

By combining resources, a franchise system provides you with:

COMMUNICATION IS THE KEY!

The basic principle which describe Autobarn's relationship with their Franchisees is expressed in Autobarn's Corporate Objectives (Vision).

- **Buying power and access to a wide product range and strong brand names;**
- **Greater advertising frequency, and brand awareness;**
- **Expanded marketing and promotional opportunities; and**
- **A forum for the exchange of ideas that assists in developing business strategies that can benefit the business.**

Franchising the Autobarn concept and system makes good business sense.

No one applies the same energy to their business as an owner-operator who has a personal investment in the business and a vested interest to make it succeed.

"To develop and grow a strong, vibrant and profitable specialist retail organisation fully committed to honour and fulfil its responsibilities and obligations to its Franchisees and Shareholders and meet the needs and expectations of its customers.

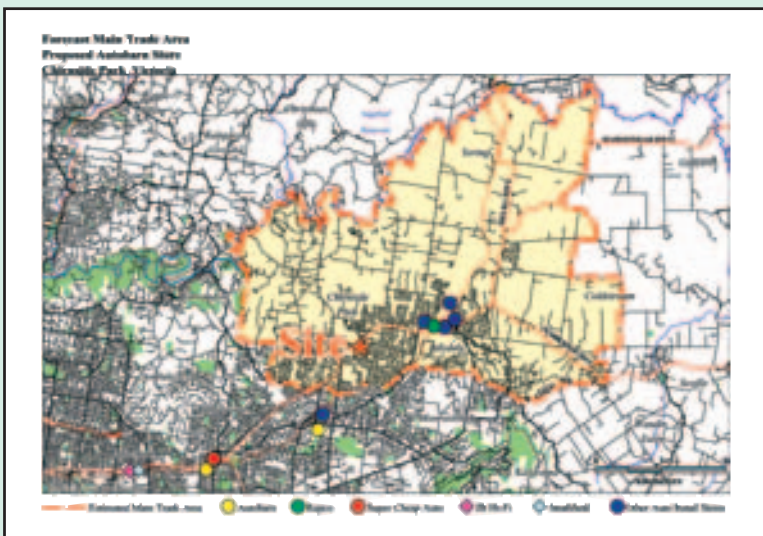


Fundamental to the sound working relationship established with franchisees has been effective communication... we believe this is the key to building an enduring franchisee/franchisor relationship.

For this reason emphasis is placed on:

- Making contact directly and speedily with our franchisees at all times;
- Communicating and ensuring all franchisees have an understanding of retail strategies-advertising, sales and pricing;
- Keeping all franchises abreast with all policy and procedural changes; and
- Maintaining an "open door" culture at all times.

TERRITORY DEFINED



The exclusive Autobarn territory is geographically defined on a map in your Franchise Agreement. A Market profile survey is provided with each Franchise Territory listing the following.

- **Population**
- **Age distribution**
- **Occupations**
- **House hold structures**
- **Demographic characteristic**
- **Income**
- **Dwelling Characteristics**
- **Motor vehicles**

AUTOBARN NATIONAL DISTRIBUTION CENTRE FOR THE BENEFIT OF FRANCHISEES



The Autobarn National Distribution Centre (DC) located at Nunawading in Melbourne is part of a long-term strategy to help increase the profitability of Autobarn Franchisee's stores, and compliments key Autobarn performance improvement initiatives and objectives.

The main aim is to reduce buying prices, to improve competitiveness and increase store profitability and offer exclusive products to our Franchises.

The DC is operated solely for the use of our Franchisees.

ON-GOING SUPPORT SUMMARY...

- **Franchisee field support**
Regular visits and evaluation of business performance by a dedicated Franchisee Development Manager. They provide guidance on the conduct of the business, stock management, financial management and sales performance.
- **Accounting**
Financial services providing monthly Profit & Loss Report and Balance Sheet.
- **Computer support**
Point of sale and stock management system.
- **Local marketing**
Support in assistance on local Press, Radio & TV production.
- **Stock management**
Complete stock management system fully maintaining a stockfile of over 70,000 product lines.
- **Product range maintenance on suggested pricing and new products**
Weekly update.

DISTRIBUTION CENTRE

- **Improved pricing**
Better buying on exclusive generic, and brand products.
- **Improved gross profits**
Help improve your margins through better pricing.
- **Exclusive product**
Autobarn exclusive brands.

PROPERTY & FRANCHISING

- **Assist in leasing rental**
Our property manager will assist franchisees when dealing with lease matters.
- **Assist when franchisee wants to sell store**
Autobarn offers a service to assist in marketing to sell your franchise.

NATIONAL MARKETING PROGRAM

Autobarn is a strong well known national brand in the Automotive Aftermarket National Industry.

Autobarn's current National Marketing spend is over \$7 million. A total budget ensures continuing activity throughout the year. This will provide Franchisees with a solid platform to build their own local area marketing programs.

- **Catalogues** Full colour catalogues and broad sheets.
- **Television** Large campaigns to cover major events.
- **Internet** New updated web site.
- **Triple Boost** Exclusive product guarantees.



AUTOBARN MARKETING RESOURCES & CUSTOMER SERVICE INITIATIVES

Autobarn's exclusive "Triple Boost Guarantee" provides a unique benefit to customers, and is a powerful marketing tool which highlights Autobarn's points of difference – not matched by any competitor!

It provides for:

- A lifetime installation guarantee for in-car entertainment and vehicle security products purchased in Autobarn stores;
- It doubles the manufacturers guarantee; and
- A price match guarantee that promises to meet competitor's prices.



WEBSITE - www.autobarn.com.au

The objective of the Autobarn website is to provide customers with easy access to information and special product offers.

A specific aim is to introduce customers to their local Autobarn store and location, and give Autobarn stores the opportunity to make extra sales – and share the benefits of this communication technology.



AUTOBARN IS AN AWARD-WINNING ORGANISATION

Over the years Autobarn Franchisees and Autobarn Pty Ltd have been the recipients of the following major Marketing and Franchise Industry Awards:

- **The Australian Automotive Aftermarket Association (AAAA) Excellence in Marketing award for eight consecutive years;**
- **The Franchise Council of Australia (FCA) National Franchisee of the Year** awards in 1996, 1998 and 2001:
 - In addition, Autobarn Pty Ltd is the only Franchise system to have won in the one year **three** prestigious FCA awards:
- **National Franchisor of the Year**
- **Best Home Grown Franchise system**
- **Best Franchise System – entry point \$200,000, an achievement not equalled by any other franchise system to date.**
- **National Franchisor of the Year 2003 (Stores 21-100).**
- **National Franchisor of the Year 2004 (Stores 21-100).**



WHEN YOU JOIN AUTOBARN YOU JOIN A GREAT TEAM!

Autobarn is a market leader in the retailing of automotive accessories, spare parts and car entertainment equipment.

As an Autobarn Franchisee you will immediately benefit from the success of over twenty years of retail experience.

Successive years of dynamic and successful advertising and marketing programs that have helped generate higher sales and market awareness of the Autobarn brand.

The Autobarn organisation is now the largest franchised retail automotive network in Australia, with annual gross sales of over \$176 million and a national advertising budget of over \$7 million.

Autobarn stores are strategically sited on some of the best retail locations in Australia to take advantage of maximum traffic flow and exposure.

The store network continues to rapidly expand its customer base by marketing quality national-brand product, backed by outstanding customer service.

With considerable buying power, Autobarn stores always offer customers great value.

Autobarn is a wholly-owned and operated Australian franchise enterprise.

ATTRACTIVE STORE ENVIRONMENTS



Attractive store environments are created to appeal to our customers, many of whom are women.

Stores are always situated for maximum customer convenience, with accessible and adequate parking.

PUTTING CUSTOMERS FIRST



We continually remind ourselves, our Franchisees and store personnel that we are in the "people" business first, and the retail automotive aftermarket business, second.

No business can exist without customers and customers today are better informed, more aware of alternatives and more demanding than ever.

Customers expect any business that wants their money and their loyalty to understand their needs, preferences and expectations.

The challenge is to exceed the customer's expectations!

The delivery of customer service, not just 'good' service but outstanding service is a vital part of every Autobarn Franchisee's local marketing strategy.

Franchisees understand that the way customers are treated will determine whether or not they come back and whether or not they advertise the business by word-of-mouth (the best and most cost-effective form of advertising).

WHAT WILL THE “AUTOBARN ADVANTAGE” MEAN TO ME?

A key objective of the Autobarn organisation is to provide new Franchisees with the resources and facilities to start up and conduct a successful and profitable specialist automotive parts and accessories retail business.

Among other things Autobarn will provide you with the following:

- **Site selection** Complete demographics completed on selected sites.
- **Lease negotiation** Assist in negotiation of all aspects of lease matters.
- **Corporate name & brand** An easily identifiable and well-respected brand and trading identity. The Autobarn green and gold corporate livery and distinctive trademark is now well-known across the country.
- **Autobarn’s fit out team** All stores are designed and fitted-out by Autobarn’s own specialist teams.
- **Employment of new personnel.** Personal assistance in employment of new staff.
- **Opening marketing promotion** Grand opening program planned and organised by Autobarn and partly funded by suppliers.
- **Marketing budget** Over \$7 million national advertising budget, annually.
- **Computer system** Full inventory management system, includes POS.
- **Initial support** One month of dedicated support instore by our Franchisee Development Department.
- **Franchisee business development support on going.** The support of an experienced, dedicated and motivated Franchisee Business Development support team, who provide ‘hands-on’ guidance on the conduct of the business, stock control, financial planning and management.
- **Local Area marketing** Developing local area marketing and advertising programs and campaigns.
- **Training** An eight-week training program prior to taking possession of your store.
- **Procedure manual** An easy to follow Procedure Reference Manual that covers every aspect of the franchise system.

All this can be summed up in three words: **“the Autobarn Advantage”** ...

a dynamic business concept that includes a proven management and business system, a powerful, easily identifiable corporate identity, and a high market profile.

Autobarn stores are recognised as retail businesses where franchisees and staff are dedicated to giving exceptional customer service, promoting a wide range of high quality products—at prices that are very competitive! An Autobarn Franchisee never feels alone.

Management and Franchisees help and treat each other in the same way that they look after their customers.

That’s the underlying strength implicit in the ‘Autobarn Advantage’.



Sam Molina

Autobarn Franchisee, Epping, Victoria

Autobarn has enabled the opportunity to combine my love of fast cars & the aftermarket accessories industry with a business venture. The franchise system provides me with the tools of the trade in all areas of running a retail business. As the franchisee I utilise all of these tools to control all aspects of the business which includes: staffing, stock management & tracking the health of the business.



Paul Ferraro

Autobarn Franchisee, Preston, Victoria

As the franchisee of Autobarn Preston my business is a success due to the growing relationship we have formed with the franchisor. Retail is a tough business, 7 days a week & dealing with staff & customers has its moments. However, being a part of an ethical & well developed franchise system allows me the opportunity to run my business successfully.

WHAT DO YOU DO NEXT?

The purpose of this information pack is to introduce you to the Autobarn Franchise System.
If you are interested in obtaining more information about acquiring an Autobarn Franchise, **take the next step** and please fill in the Application Form and Confidentiality Agreement in this **pack** (There is no obligation).

A member of our "Franchising" team will contact you to arrange a personal meeting to discuss your prospective need on our franchise system.

If you have enquired about an existing franchise for sale we are also able to assist you in this process on behalf of the current owner.

Contact Details:

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National Franchising Manager
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It's gotta be...

autObarn

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