

6 August 2008

Hamish Murdoch
Ultra Tune Australia Pty. Ltd.
38-40 Prospect Street
Box Hill Victoria 3128

RE Market Research – Audit of Quotes

Dear Hamish;

I am writing to report the findings of the research TKP undertook on your behalf auditing the quoted service price for Ultra Tune and the Factory Dealers across a range of specified vehicles and service intervals (app. 1).

To recap the methodology...

TKP telephoned one of 85 randomly selected Ultra Tune service centres across Australia. From this outlet, we anonymously (posing as 'real' customers) obtained 2 quotes for 2 vehicle services i.e. a Holden Commodore VZ AUTO 2006 3.6 litre for a 30k service and a Holden Rodeo 4x4 MANUAL 2006 3.5 litre for a 40k service.

This was matched to a telephone quote from a geographically competitive Factory Dealer (once again, we contacted anonymously, posing as a customer) for the identical vehicle and service intervals.

Quotes obtained were like for like. i.e. same vehicle, competitive locations, same point in time, same km service requested, matched service (standard) requested.

In some instances, two Factory dealers were matched to one Ultra Tune centre as they were competitive to one Ultra Tune centre.

Ultimately, we surveyed 85 Ultra Tune centres and 100 Dealers and yielded 207 quotes and 216 quotes respectively.

Given that the number of quotes and the types of quotes did not exactly match, the Factory Dealer quotes were weighted down to ensure that the make-up of cars and services of the 2 samples were comparable.

Comparing the average quoted service price for the vehicles and service intervals specified shows that on average, a Factory Dealer



service quote was 33% more expensive; this can also be expressed as an Ultra Tune centre quote being 25% cheaper. (app 2)

I trust this meets your requirements.

Yours sincerely,

Richard Birks
Senior Partner



Appendix 1 Scenarios Audited

Manufacturer	Model	Variant	Auto	Year	Engine	KM Service
Holden	Commodore	VZ	AUTO	2006	3.6 litre	30K 60K
	Astra	Convertible	MANUAL	2005	2.2 litre	45K 60K
	Rodeo	4x4	MANUAL	2006	3.5 litre	40K 50K
Ford	Falcon BF	Futura	AUTO	2005	4 litre	60K 75K 90K
	Focus	LR	MANUAL	2005	1.8 litre	45K 60K 75K
Toyota	Camry		AUTO	2006	2.4 litre	45K 75K
	Corolla		MANUAL	2005	1.8 litre	60K 70K
	Landcruiser	4WD	AUTO	2005	4.5 litre	60K 80K
Renault	Clio	Privilege	Auto	2005	1.4 litre	80K 100K
	Megane		Manual	2006	2 litre	40K 60K
BMW	325i	Sedan	Auto	2006	2.5 litre	Inspection 1 Inspection 2
	X5	4wd	Auto	2006	3 litre	Inspection 1 Inspection 2
Volkswagen	Beetle		Manual	2005	1.6 litre	45k 75K
Subaru	Impreza	WRX	Manual	2005	2 litre	50K 100K
	Outback		Auto	2006	3 litre	37.5K 75K



Appendix 2; Results by Vehicle

	Raw Sample				Weighted Sample			
	Ultra Tune		Dealer		Ultra Tune		Dealer	
	Avg. Cost (a)	n	Avg. Cost (b)	n	Avg. Cost (a)	n	Avg. Cost (b)	n
BMW 325I	\$ 440	10	\$ 801	10	\$ 440	10	\$ 801	10
BMW X5	\$ 396	10	\$ 716	10	\$ 396	10	\$ 716	10
FORD FALCON	\$ 228	22	\$ 285	22	\$ 228	22	\$ 285	22
FORD FOCUS	\$ 308	22	\$ 302	22	\$ 308	22	\$ 302	22
HOLDEN ASTRA	\$ 322	19	\$ 416	21	\$ 322	19	\$ 416	19
HOLDEN COMMODORE	\$ 190	17	\$ 227	19	\$ 190	17	\$ 227	17
HOLDEN RODEO	\$ 362	18	\$ 493	18	\$ 362	18	\$ 493	18
RENAULT CLIO PRIVILEGE	\$ 367	10	\$ 527	10	\$ 367	10	\$ 527	10
RENAULT MEGANE	\$ 317	10	\$ 509	10	\$ 317	10	\$ 509	10
SUBARU IMPREZA WRX	\$ 757	8	\$ 972	11	\$ 757	8	\$ 972	8
SUBARU OUTBACK	\$ 235	9	\$ 286	10	\$ 235	9	\$ 286	9
TOYOTA CAMRY	\$ 269	16	\$ 320	16	\$ 269	16	\$ 320	16
TOYOTA COROLLA	\$ 216	16	\$ 218	16	\$ 216	16	\$ 218	16
TOYOTA LANDCRUISER	\$ 579	16	\$ 760	15	\$ 579	16	\$ 760	16
VOLKSWAGEN BEETLE	\$ 185	4	\$ 335	6	\$ 185	4	\$ 335	4
TOTAL	\$ 332	207	\$ 444	216	\$ 332	207	\$ 442	207
Difference as an expense; (b-a)/a			34%				33%	
Difference as a saving; (b-a)/b			25%				25%	

