

Meineke Car Care Centers



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MEINEKE has been offering superior automotive repair services at discount prices for over 30 years. We are a nationally-recognized brand with a proven system. Brand recognition, comprehensive training and on-going technical and operational support are some of the benefits enjoyed by MEINEKE franchisees.

BACKGROUND: IFA MEMBER
Established: 1972; 1st Franchised: 1973
Franchised Units: 873
Company-Owned Units: 2
Total Units: 875
Dist.: US-839; CAN-18; O'seas-18
North America: 49 States, 5 Provinces
Density: 69 in NY, 57 in PA, 56 in TX
Projected New Units (12 Months): 69
Qualifications: 4, 3, 3, 2, 2, 5

Registered: All States

FINANCIAL/TERMS:

Cash Investment:	\$60K
Total Investment:	\$190-352K
Minimum Net Worth:	\$150K
Fees: Franchise —	\$30K
Royalty — 3-7%;	Ad. — 8%
Earnings Claim Statement:	Yes
Term of Contract (Years):	15/15
Avg. # Of Employees:	4 FT
Passive Ownership:	Not Allowed
Encourage Conversions:	Yes
Area Develop. Agreements:	Yes/Varies
Sub-Franchising Contracts:	No
Expand In Territory:	Yes
Space Needs: 2,880-3,880 SF; FS	

SUPPORT & TRAINING PROVIDED:

Financial Assistance Provided:	Yes(I)
Site Selection Assistance:	Yes
Lease Negotiation Assistance:	No
Co-Operative Advertising:	Yes
Franchisee Assoc./Member:	Yes/Yes
Size Of Corporate Staff:	110
On-Going Support:	A,B,C,D,G,h,I
Training: 4 Weeks Charlotte, NC.	

SPECIFIC EXPANSION PLANS:

US:	All United States
Canada:	All Canada
Overseas:	All Countries

In 1972, Sam Meineke had with one store, a single product line and the simple concept of providing quality products and workmanship at a fair price –fixing cars the first time. Over the years, while the concept has stayed the same, the number of stores and services offered has increased, but Meineke has expanded its services to become a comprehensive center for car maintenance, working with exhaust systems, brake systems, steering and suspension systems, radiators, motor and transmission mounts, batteries and more.

Currently a vehicle's average age continues to increase as people keep their cars around longer, increasing the need and opportunity for professional repair and maintenance services. Meineke is positioned for strong growth with its strong name recognition and new tagline, "Right Service, Right Price." With nearly 900 franchisees, Meineke is one of the largest automotive franchises and has serviced more than 50 million vehicles.

Operating Units	6/30/2003	6/30/2004	6/30/2005
Franchised	873	879	873
% Change	--	0.7%	-0.7%
Company-Owned	23	1	2
% Change	--	-95.7%	100.0%
Total	896	880	875
% Change	--	-1.8%	-0.6%
Franchised as % of Total	97.43%	99.89%	99.77%

Investment Required

The fee for a Meineke franchise is \$30,000.

Meineke provides the following range of investments required to open your initial franchise. The range assumes that all items are paid for in cash. To the extent that you choose to finance any of these expense items, your front-end investment could be substantially reduced. The following figures refer to a six-bay location.

Item	Established Low Range	Established High Range
Franchise Fee	\$30,000	\$30,000
Training Expenses	\$1,500	\$2,400
Real Estate	\$6,005	\$28,438
Opening Inventory	\$13,295.23	\$13,723.93
Equipment, Signs, Equipment, Installation	\$93,004.14	\$132,972.76
Computer System	\$7,302.33	\$8,583.32
Shop Supplies	\$11,098.55	\$11,098.55
Insurance	\$1,230.75	\$5,743.44
Legal and Accounting Expenses	\$200	\$4,000
Pre-Paid Expenses	\$12,126.54	\$25,537.00
Freight	\$2,000.00	\$3,000.00
Initial Marketing	\$5,000.00	\$7,000.00
Additional Funds (for 3 months)	\$30,000	\$80,000
Total Investment	\$212,762.54	\$352,497.00

On-Going Expenses

Meineke franchisees pay a royalty fee that ranges from 3 to 7% of gross revenue, varying according to the types of services or products provided, and an advertising fund fee equal to 1.5% of gross revenue generated from tire sales and 8% of all other gross revenue.

What You Get—Training and Support

Franchisees attend four weeks of exhaustive training that address both managerial and technical issues, from marketing and financial workshops to Shop Bay Safety and hands-on repairs. Franchisees use a unique “Point of Sale” computer system to manage business needs. Ongoing training and consulting are provided by the operations and training departments, and an online franchisee website provides additional training resources and a communication network.

Meineke has a detailed advertising program that includes exposure on television, on the Internet and in Yellow Pages, as well as creative materials and local marketing programs. Franchisees also benefit from Meineke's supply-purchasing power with vendors and relationships with financial institutions that help secure competitive loan terms.

Territory

Meineke grants exclusive territories.