



AutoTech Master Mechanics “Where the Experts Work”

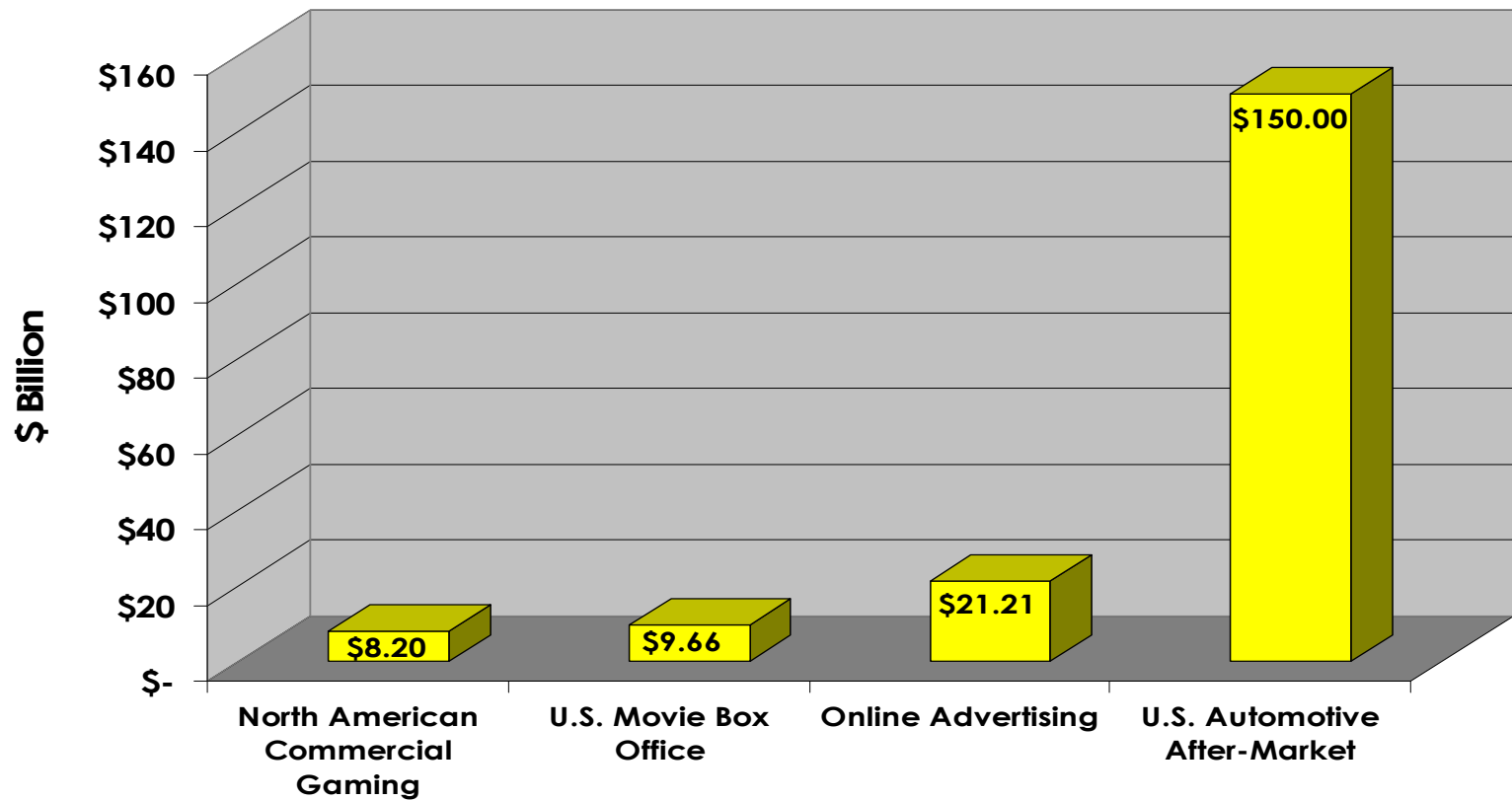
Nevada Public Stock Offering



Introduction

- ◆ The automotive aftermarket for maintenance and repair is estimated at over \$150 Billion. It is extremely fragmented, with no single provider having even a 1% market share.
- ◆ Remember coffee shops before Starbucks. Our market is bigger, more fragmented, and the customers are more unhappy with the available choices.
- ◆ The stereotype for an auto service garage is well deserved. Many are dishonest, more are incompetent, and the shops run by a decent mechanic usually aren't good at business or customer relations.
- ◆ We're going to change all that. Our stores are different.

Industry Size Comparison

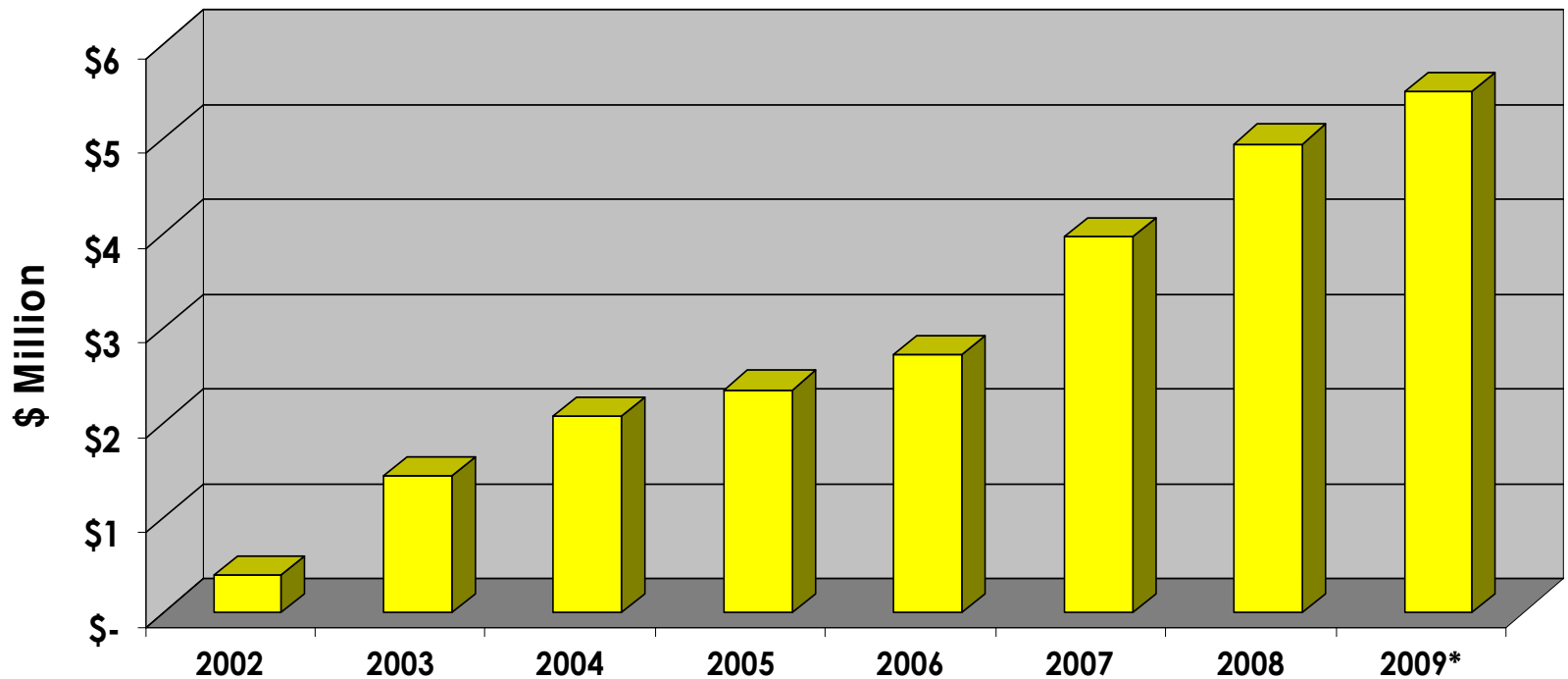




MK Automotive, Inc.

- ◆ We operate automotive maintenance and repair shops in the Las Vegas, NV area. We started in 2002 by purchasing one failing store, and have grown to 7 stores with over 30,000 active customers and projected annual revenues of over \$5 million.
- ◆ We operate a modern retail business. We didn't reinvent the wheel, we've just brought generally expected retail standards to an industry where they've rarely been applied.
- ◆ Competence and integrity are at the heart of all our operations.
- ◆ We are social capitalists. We treat everyone right.
- ◆ We are profitable. And it's our firm belief that integrity leads to even higher profits when operating in an industry where that quality is rare.

MK Automotive, Inc. Annual Revenue



* Projected



Changing an Industry



- ◆ Our customer relations approach is straightforward: 100% customer satisfaction. We don't stop working until our customers are happy. Period.
- ◆ We've changed the way mechanics are paid. We offer full-time positions with benefits, vacation, and overtime pay. We pay people for making customers happy, and how hard they work. No employee gets a percentage of what they sell. We've removed the economic stimulus to lie.
- ◆ We will change how franchisees are treated. Most automotive franchisors prey upon their franchisees, leaving them scrambling to survive. A smart capitalist realizes you make more money in the long run if everyone involved prospers too. Our franchisees will make money, and so will we.
- ◆ We have a corporate culture of being nice. Nice to each other. Nice to our customers. Nice to the community. As you'll see on the employment page on our website, we have a "no jerks allowed" policy.



Our Goal

- ◆ We will replicate our store model nationwide, and consolidate the extremely fragmented market. Each 1% of market share will mean over \$1 billion in revenue. This is a textbook roll-up of a huge industry that has never consolidated.
- ◆ We will create a nationwide brand that will command market share the same way people seek out a Starbucks for coffee. A nationwide *Mechanic you can Trust* would be more comforting to many people than Ronald McDonald.
- ◆ Our first goal is \$1 billion in revenue, roughly 200 times what we did in 2008. We will do it at the same profit margin. And then we'll go for 2% market share.



How will we do it ?

- ◆ We will do it the same way we've already done it. We'll just do more of it. Each unit is a duplicate of the last one, plus anything new we've learned.
- ◆ We have a proprietary operating model, including our own internally developed management software for running a store. Our software efficiently integrates all aspects of running the store, and is very user friendly.
- ◆ Our system is repeatable, limited only by how fast we can replicate.
- ◆ **In the opinion of our franchise consultant, the iFranchise Group in Chicago, we have by far the best value proposition in the industry for a potential franchisee.**
- ◆ Together with iFranchise we have substantially completed the strategic planning phase for a franchise structure that is easily the best choice for any potential franchisee in the auto repair industry.



Thought for Perspective



- ◆ Many investment opportunities offer innovative products that will change the world, or cause a paradigm shift in how people think or purchase. Some work out, most don't.
- ◆ We have something more tangible. Our \$150 billion market is already here. We can put a number on our share, and a plan in place to achieve it. And it's a plan based on products, markets and purchasing patterns already in place.
- ◆ Google did \$17 billion last year. They have 75% market share in their world. When we get to \$17 billion, we will have a 15% share of ours.
- ◆ And we are profitable. After the launch of the franchise division the company should continue to be self-funding.

Questions you should ask, and answers

Why is the opportunity available ?

- ◆ *The industry is very fragmented, dominated by win-lose type franchise chains and poorly run independent shops. It's very fragmented because nobody is doing it right on any kind of large-scale effort. The industry is ripe for a roll-up.*
- ◆ *Franchising is our model for expansion. But our win-win situation will stand out in a predatory industry where franchisees have a series of bad other choices.*
- ◆ *There is an inherent dishonesty in the auto industry. There is no polite way to say it. The public accepts this as "normal". We gain an immediate advantage simply by bringing a different perspective. People are shocked to be treated as well in an auto shop as they would be in a Starbucks.*
- ◆ *A public offering has unique benefits. Funding could be arranged through other traditional and quite frankly easier routes, but being publicly traded means we have thousands of spokespersons out on the street, promoting the company. MK will also be starting a stock benefit plan for employees as part of their motivational compensation, and can use stock as an incentive to attract new talent. And we already have a few targets in mind for acquisition.*

Questions you should ask, and answers

What is the future of the business?


The market is huge and growing. Vehicles are staying on the road longer needing more repairs. Vehicles are getting more complex, favoring our highly trained, well qualified and well paid mechanics.

How will you know if you are successful?

Each store is it's own Point of Distribution (POD). Each store performs to financial benchmarks within 1 to 3 years. We grow primarily by adding more stores. Success is measured by growth in store number and percentage of satisfactorily performing stores.

Who is the competition?

Many. Independents, franchise chains, and dealerships. Midas, Meineke, PrecisionTune, and Monro, many other franchises, all dealerships, and any local "Joe the Mechanic". There is also overlap with oil change places like Jiffy Lube where we will take some of their customers but they can't take much away from us.



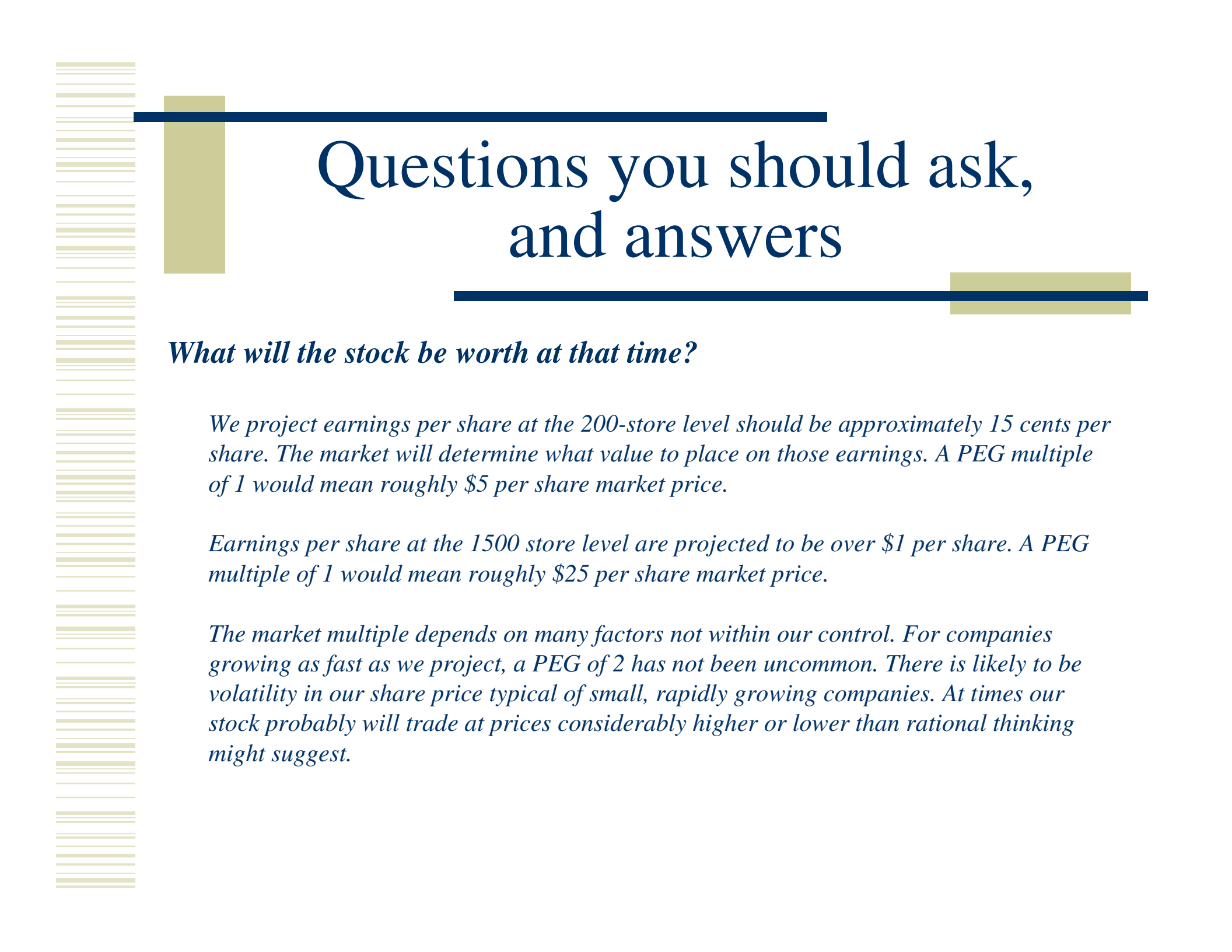
Questions you should ask, and answers

How big is the market?

The market is estimated at easily over \$100 billion. Midas marketing materials claim \$150 billion. There are 150 million vehicles on the road. Maintenance at 20 cents per mile would equal \$360 billion, but a lot of needed maintenance is not done. Bottom line, the market is so big that there is no need to worry about saturation until we are a considerably larger enterprise.

How much share can we get and how fast?

We can get to 100-200 stores in 2-3 years. We can get to 1500 stores or about 1% market share in 5-10 years. Nothing is for sure and there is much that is beyond our control, but those are our goals.




Questions you should ask, and answers

What will the stock be worth at that time?

We project earnings per share at the 200-store level should be approximately 15 cents per share. The market will determine what value to place on those earnings. A PEG multiple of 1 would mean roughly \$5 per share market price.

Earnings per share at the 1500 store level are projected to be over \$1 per share. A PEG multiple of 1 would mean roughly \$25 per share market price.

The market multiple depends on many factors not within our control. For companies growing as fast as we project, a PEG of 2 has not been uncommon. There is likely to be volatility in our share price typical of small, rapidly growing companies. At times our stock probably will trade at prices considerably higher or lower than rational thinking might suggest.



Questions you should ask, and answers

Why will you succeed?

Excellence in an industry full of poorly run competition. We will take the high level of customer satisfaction required to survive in other industries and apply it to automotive.

Our own proprietary operating software manages the stores consistently and more efficiently, helping ensure a quality customer experience.

Our founder, Mike Murphy, spent the 20 years prior to 2002 in an extremely efficient industry where near perfection was required just for survival. Mike chose automotive specifically because it operates at such a low level of proficiency. This outside perspective led to a fundamentally different approach to the business and higher standards for performance.

Questions you should ask, and answers

Explain Social Capitalist?

- ◆ *We treat people right: customers, employees and suppliers, everyone.*
- ◆ *Our minimum wage is \$10 per hour. We pay in the top quartile for all job classes.*
- ◆ *We pay overtime, provide health insurance, paid vacation and other benefits, and provide for career advancement.*
- ◆ *We motivate and retain the best talent in an industry famous for abusing its employees. We do not pay by piece-work or any of the other predatory practices common in the industry.*
- ◆ *We pay all taxes, aggressively monitor child support, and dispose of all waste properly.*
- ◆ *We do not purchase counterfeit parts.*
- ◆ *We operate from the highest ethical standards. We do it right, or we do not do it at all.*

Questions you should ask, and answers

What is the timeline?

- ◆ *July – December 2008: Prepared for franchising, developed strategic plan. Completed audit and met all legal requirements for Nevada Public Offering.*
- ◆ *January – Aug 2009: Finalize and complete Nevada Public Offering. Complete franchising requirements, UFDD, etc.*
- ◆ *August 2009 – Dec 2009: Open and debug pilot franchise store in local market. Identify sites and candidates in our next target geographical areas.*
- ◆ *Calendar 2010: Market the franchise in earnest. Target 25 candidates to be open by June 2010. Continue building the franchise chain nationwide. Target 50 stores by year-end.*
- ◆ *Calendar 2011: Continue building the franchise nationwide. Target 200 locations by year-end. Identify international licensing opportunities.*
- ◆ *Calendar 2012 and onward: Continue growth toward 1500 stores domestic and a 1% market share. As we approach 1%, begin making plans to achieve 2%. Act on best international licensing opportunities.*



Financial Considerations



- ◆ We are a going concern generating positive cash flow. We do not have to provide for operating losses while ramping up our plan. Once the initial start-up phase of the franchise operation is funded, our growth plan self-finances.
- ◆ The concept of risk and return has been redefined in the current investment universe. As one alleged “blue chip” after another crashes, an investor might consider it less risky to look at a simple, easily understood concept with a clear goal and transparent fundamentals.
- ◆ Our first goal is \$1 billion in revenue, roughly 200 times what we will do in 2008. We will do it at the same profit margin. And then we’ll go for 2% market share.