

ZIMBRICK *Outlook*



*a message
from John, Tom & Mike*

ONE YEAR LATER

One year ago, we wrote to you regarding the first six months of 2009. It was an unprecedented time in the automotive industry —

The bankruptcies of General Motors and Chrysler, a struggling economy, Cash for Clunkers and a cloudy future. Today, the future is clear and one of greater optimism.

GAINS AND LOSSES—NUMBERS AND MORE

There have been gains and losses over the last 12 months. Nationally, new vehicle sales are up 15% (versus down 35%) compared to the previous year. Our new vehicle sales are up 4% through June. Our used vehicle unit sales are down 1%, but our overall used car revenue is up as we are getting more gross per unit. Parts business is down 4%, Service business is down 0.5%, and the Body Shop business is down 7%. The fixed operations story is not as bad as it looks as we had two fully functioning Saturn stores one year ago. Customers are still “watching their pennies,” so expense control remains important. We did a great job in 2009, but we must maintain our financial discipline. We had “major heart surgery” in our business in 2009. After the surgery, we cannot “supersize our meal at McDonalds on the way back from the hospital.” Financial discipline will remain a key focus for 2010.

We had other gains. We added three new franchises (MINI, Sprinter, and GMC on the west side) in the past 12 months. These have been great additions to the portfolio. We were named the Saturn Authorized Service Provider at Buick-GMC West, resulting in a substantial increase in fixed operations. Saab also rose from the ashes, and the new Saab 9-5 looks like a winner. Finally, we made a smooth transition to ADP thanks to a lot of planning and great execution.

There were some unfortunate casualties: The two Saturn stores. We have had Saturn since 1991 (Madison) and 1993 (Rockford). We were able to convert Saturn of Madison to a MINI store, and it is off and running. We were not so lucky in Rockford. We made a strong application for the terminated Chevrolet-Cadillac franchises (they were reinstated) and pursued new franchises (none were ready for Rockford). Simultaneously, we repositioned Saturn of Rockford as a used car superstore with service to all makes and models. George Schaffner and the team in Rockford made a great effort and accomplished many things, but the financial losses were not sustainable. We made the difficult decision to close Saturn of Rockford this month. This was a necessary business decision, but it is still painful to lose a member of the Zimbrick family.

THE NEXT 6 MONTHS

In July, we did our quarterly business reviews. Lon Bahr and Tom reviewed the progress at each location with each General Manager and corrective plans were put into place. We had some dramatic turnarounds: Eastside going from a loss of \$450,000 to gain of \$60,000; Acura of Madison and Acura of Brookfield up 40% and 400% in profit; and reduced our losses in other stores. We are trending favorably through July. We have some momentum and now is the time to push the pedal to the metal. These next three months will be critical to our success. We have the right plans, the right people, and the right processes in place to get the job done.

*Thank you for everything that you do
Tom, Mike and John*

what'sinside

**MINI of Madison Grand Opening
Farewell to Rockford
Golf Outing Results**

in every issue:

anniversaries • on the move • store
news • calendar • Q&A • showroom •
HR corner

Zimbrick Stoughton Road

Zimbrick Stoughton Road has established a used car lot at 1707 N. Stoughton Road across from Madison College (formerly known as MATC), where every car is priced under \$15,000; it's called "Every Kar under 15K". The entire lot is filled with Zimbrick reconditioned, affordable cars, which helps us brand our location. At the new car lot at 1430 N. Stoughton Road, you will find certified pre-owned Volkswagens that sell for \$15,000 or more. These are excellent alternatives for the customer who prefers slightly used instead of new. Everyone knows a person who is looking to spend under \$15K, so now Zimbrick has a lot that exclusively caters to that price point.

Customer service is something that the Stoughton Road team prides itself in, day in and day out. The letter at right is an example of us "walking the talk:"

Good morning,
My name is Loredana Sima and I wanted to take a few minutes to thank Mr. Bill Schmitz and Mr. Casey Nimmer for an outstanding customer care support. My husband and I are from Chicago and on July 2, 2010, we were on our way to Minnesota passing through Madison when a warning light came on my VW Rabbit's dashboard. We were not sure what it was, maybe a light was out but couldn't figure out which one. Not wanting to be on the highway at night with one of the lights not working, we started making phone calls trying to find a VW dealership in the area. We came across Zimbrick VW and that seemed to be the best thing that happened that day. We got there around 6:30, but the dealership was closed already. Just when we were about to turn back and leave, Mr. Bill Schmitz came out running, opened the door and started assisting us. Checked the lights all around, signals to see if they're all in order, and then Mr. Casey Nimmer came out also, and after finding where the burnt bulb was, Mr. Nimmer changed it. He did a wonderful job and all this after closing time ... outstanding! The best experience we ever had in a dealership, and Mr. Nimmer and Mr. Schmitz are the most helpful and kind people we ever talked to. If we'd have to describe our experience in your dealership that day, it would be something like this; "people that truly care, even after hours!" These two wonderful guys just won 5 stars for Zimbrick VW dealership from us.

Many thanks to Mr. Bill Schmitz and Mr. Casey Nimmer for an outstanding customer service and many thanks to Zimbrick VW dealership for hiring good people that truly care.

Loredana Smith

Acura of Brookfield



On Thursday, July 15, Acura of Brookfield hosted the Brookfield Chamber of Commerce Business After Five monthly networking event. Over 100 members from the Brookfield business community attended the event.

The parking lot expansion continued through the month of July with an anticipated completion date in mid-August. This expansion adds an additional 84 parking stalls to the lot, which is greatly needed because of the growth of the dealership over the years. Here is a picture of a retaining wall being built in mid-July.



Zimbrick BMW

One goal for 2010 is to earn BMW's Center of Excellence Award, just as we did for the first time ever in 2008. This award is only earned by the top the centers in our group, for the entire country. Dealerships are ranked on new and pre-owned sales, CSI, parts purchases and customer loyalty, to name a few. At the halfway mark, we are in the running for this difficult award. Big thanks to the Zimbrick BMW team for its hard work and efforts to put us in a position to win.

The **all-new 2011 5 Series** (at right >>) showed up in June, and this vehicle does not disappoint. From the classic styling to the improved luxury and performance, it is sure to be a hit. Enjoy the rest of your summer.



Zimbrick of Middleton

Congratulations! Zimbrick Volkswagen in Middleton was the No. 1 new Volkswagen dealer in the state for new VWs sold during the month of June 2010!

If you get a chance to stop out, please do! We have an unusual display in our VW showroom: a full-size tent that opens on one end so you can position it over the back door of the VW Routan van. It has drawn a lot of interest from customers.

In May, VW technician Jason Reckner and parts manager Mike Neess were flown to Uvalde, Texas compliments of Continental Tire; the trip was awarded to the VW dealership for being one of the top ten purchasers of Continental tires through VW's tire program. While in Texas, Jason and Mike had the opportunity to drive supercars around Continental's private eight-mile test track at speeds up to 150 mph!

Acura celebrated its Precision Team award in May with a luncheon. Congratulations again to the Acura team for winning this prestigious award!

Also in May, Middleton Acura and VW participated in the Jet Set event with *Madison Magazine*. This was a showcase event to reach an affluent audience who are looking for the latest and greatest in automobiles and other goods and services. We featured the all-new Acura ZDX as well as the Acura TL AWD and Volkswagen CC. This unique event was held at Wisconsin Aviation and gave us exposure to a new group of people.

Routan Display



Precision Team Lunch



Jet Set



Zimbrick European

On June 12, about 60 European employees and guests descended upon the Duck Pond in a private suite at Warner Park to take in a Madison Mallards game. They keep raising the bar year after year with park improvements and gave us a great evening of baseball followed by the customary fireworks show. We had a couple of scouts visit our suite as they had their eyes set on signing some Mallards' pitchers to the big leagues; they were easy to spot with their World Series Championship rings on. One scout was from the Chicago White Sox and another pair of scouts was from the Philadelphia Phillies. It was interesting to hear them rave about the stadium and level of talent that Madison attracts — it's no wonder they win so many games! Apparently not only is this the premier league in the United States, but the Mallards is "the team" to be on as these young men try to make it to the pros.

We are now in the heart of our selling season, and summer is in full swing. We have felt a nice bump in momentum in business as of late. We just finished the second quarter for 2010 with some of our best sales and service numbers in more than two years. It is very encouraging, and we have a lot of year left to make this our best year ever. Our customers have high expectations. Those expectations can be very difficult to consistently meet and manage, but the team does an excellent job, and I'm very proud of this year's performance so far. I look forward to a great second half of 2010.

Zimbrick Hyundai West

Congratulations to Lewis Slawny and the Used Car Department at Zimbrick Hyundai West. For the month of June, the team at Zimbrick Hyundai West was the largest Certified Hyundai Dealer in the central region. While the Hyundai certified pre-owned program is newer than many other manufacturers, it offers many benefits for the consumer. Lewis and his team have done exceedingly well, establishing the value to our customers of a certified pre-owned Hyundai, from the low-rate financing to the extension of America's longest factory warranty.

A large thank-you goes out to the entire Zimbrick Hyundai West location for its efforts during the transition to ADP. In particular, Darlene Werner and the office staff all put in extra effort during April and May to make the transition as successful as possible for all departments. The early mornings and late nights were appreciated by all departments and coworkers as we established new procedures to make us more effective with ADP going forward.

Zimbrick Hyundai West rolled out a new phone system in June, joining the ranks of several locations with CISCO phones. Ryan Horstmann, Eric Kersten, Carrie Klicko, and Aaron Weinkauff from the IT department spent several late evenings rolling out the new system at our location and removing the old phone system. The entire store would like to thank them for not only the installation, but also the follow-up as we sorted out some initial programming problems.



Zimbrick Fish Hatchery Road

The Birthday Sale was a huge success! We sold 167 more used cars this year than last, and 20 more new cars! Go Team Zimbrick!

Parking issues have resulted in us creating a new parking area at the corner of Greenway Crossing and Bryant Road; this is a much-needed change! We have also opened our new car wash for our service guests and are currently averaging 6,500 washes a month. Wow!

We also worked the parade circuit this summer.

Honda & HDSC HDSC received outstanding national ranking results, with a ranking of 43 in the nation out of 1,042 dealers. This puts them in the top 4.15%. CSE score results of 96.2%. As a way to celebrate and say thanks to the employees, Charlie Cupp put on his famous Disco Dance. Thanks, Charlie!

Congratulations to Honda 1601, which was awarded the No. 1 ranking in the Zone for Sales. An all-time high! Way to go, everyone! Honda 1601 had a CSE result of 93.1%.

Saab Super Saab Imports hit an all-time record with the sale of 123 used cars. Congratulations!

Buick Zimbrats was another great success this year with Culver's, serving over 1,008 brats to all of our guests. Thank you to everyone who participated!

We are excited to announce that in August we will be hosting the grand opening of our newly arrived GMC brand. The GMC brand is being added to our already strong Buick brand. Great things are on the horizon with this addition, including a facility upgrade that will help us with future growth. In September, we will invite our Saturn guests in for the Saturn Open House to see our new facility, visit with staff and help solidify our long-term relationships.

And last but not least, the all-new sport-injected 2011 Buick Regals have arrived! Designed in Germany with all the luxury features we have come to expect coupled with great gas mileage, this car is a real "game changer." It is noted as one of the most fun Buicks to drive since the Old Grand National in the late '80s!

Main Lot Building maintenance took place recently, with the entire building receiving a facelift!

At the Columbus Parade



Zimbrats at Buick West



Zimbrick Eastside

Wow! 2010 is half over ... that's hard to believe! We're happy to report a busy as usual 2nd Quarter on the Eastside. We're busy helping customers, picnicking with coworkers, the Birthday Sale and Zimbrats to name a few.

We also have a few new models that are rolling out and the used car lots are full. The new Hyundai Sonata is a hit, as is the GMC Terrain. The Buick Regal just arrived, and the Nissan Juke is on the way. All are very good products.

Selling and servicing all of our customers has had a great impact on our financial statement. ... through June, Zimbrick Eastside is profitable! This is a semi-historical moment. "Where were you when Zimbrick Eastside became profitable?"

It's totally a team effort, and we have a great team ... and we're always looking for new people to join us. If you or someone you know has interest in joining our team, give us a call. We're happy to discuss current opportunities.

Speaking of opportunities, we have a

number of new hires on the Eastside. A hearty welcome to Chad Ohley and Jason Syens, both Nissan sales managers; Robert Daehling and Stephen Hoch, Buick-GMC Sales; and Michael Glover, assistant manager at Hyundai. We also welcome Josh Laufenberg and Chris Krey, Hyundai Service; John Hanson, Luke Knott and Brad Has-seler, Nissan Service; and Sean Mork and Kenny Dzelil, Prep Department.

Enjoy your summer and stay cool!



a fond Farewell

Well, it's official. After 17 years of overcoming adversity, we have come to the end. Through this whole process of losing the Saturn brand, applying for other franchises, repositioning our business model and facing one obstacle after another, the team here at Zimbrick of Rockford never gave up nor lost the faith. They maintained the Zimbrick culture of outstanding customer service till the very end. I would like to thank each and every one of them for their effort, trust, and devotion to try and make a difference. You accomplished things that others could have not even fathom. To the Zimbrick family, we owe a debt of gratitude for giving us the opportunity to live the Zimbrick culture here in Rockford. Your unending support and compassion was graciously appreciated by everyone here who was giving their all. To the other Zimbrick employees, we send our thanks for welcoming us into your family and making us feel like we were a part of something bigger. When one door closes, another one opens. This is so long for now, but not goodbye. We will see you again. Be well and keep the faith.

George Schaffner and the team at Zimbrick Saturn of Rockford



ZIMBRICK GOLF OUTING

From Sonja Henrikson:
I would like to thank Brent
Viney, Tinki Jensen
Ellen Ellefsen and my
husband, Kerry, for all
their help with the golf
outing.
You're all simply the best!



**Winners: Eastside's Team
Nissan!**





**Grand Opening
Thursday, July 15, 5 to 8 p.m.**



Clockwise from top: Welcome to MINI of Madison, MINI close-up; autocross race during the grand opening; scene from above; MINI of Madison GM Robin Hellrood says a few words; some of the MINI of Madison team; the all-new MINI building; and the Union Jack in cupcakes!





Some of the MINI of Madison team

“lively 140 horse, 1.8 liter Civic-derived engine ...
be fun to drive and remind you of the original CR-X”
—*Motor Trend*



2011 Honda CR-Z

2011 Acura TSX Sport Wagon



... the Sport Wagon's practical utility is cleverly
masked behind crisp lines and a sleek, European-
inspired exterior.

...seeks to redefine the concept of the minivan
with its aggressive stance and
sporty "lightning-bolt" design



2011 Honda Odyssey



2011 VW Jetta

...sets a new standard in its class ... “delivers an
exceptional driving experience at an extremely
attractive price”

2011 VW Touareg



...the most technically innovative VW since the
brand has been in existence ... is reinterpreting
the fascinating multipurpose SUV idea in a
contemporary way ...

2011x Saab 9-5



... packed with technology that will truly change
the way the brand is looked at and compared to its
rivals.

“...on par with the BMW 328i and Lexus IS 250...
will help Infiniti better compete
against other entry-level luxury sedans”
—*Edmunds*

2011 Infiniti G25



What is Zimbrick's **MOST VALUABLE RESOURCE** and how do you use it?



Rob Fawver
Sprinter Sales Manager
Zimbrick European

It is true Zimbrick has many valuable resources, but to me the most valuable is the human resource. Without the masterful, trained support staff, my job would be very difficult to perform. They provide me the resources I need to complete my mission. And, they do it in professional,

and friendly atmosphere.



Brad Smith
Service Advisor
Zimbrick Stoughton Road

For me, the most valuable resource is the amount of training Zimbrick allows me to do, whether its web-based instruction, classes ... going to any training you want. The more training I

get, the better I am at performing my job and serving customers.

David Casebolt
Sales Manager
Acura of Brookfield



This is the easiest question we've ever had to respond to: People. No other resource is better utilized for the sharing of ideas and information than our fellow employees. Much of this is due to longevity but mostly, the willingness to share. Regardless of position, we hire and promote individuals that "fit" or they probably don't celebrate many anniversaries with us. Our recent conversion to ADP is a perfect example. The sharing of knowledge got us through this.

Gary Drenoski
Parts Manager
Zimbrick of Middleton



One of the most important things in this company is the personnel; the other team members are great assets. I am always using other people's ideas and getting their point of view to make my job easier and more efficient and to provide better customer service.

Tim Balzer
Sales & Leasing Consultant
Zimbrick Nissan



I find the most valuable resource at Zimbrick to be my fellow co-workers; no matter what department they work in, I've always found them to be knowledgeable, supportive, and eager to collaborate toward satisfying our customers. And, having only been a part

of the Zimbrick team for five months, that means a lot. In the future, I'd like to be a resource to new team members — to pay it forward.

Lori Arndt
Customer Service Representative
Zimbrick Hyundai West



In my opinion, Zimbrick's most valuable resource is our Customers. As a CSR I have a considerable amount of contact with our customers. I find if you take the time to listen, the customers will let you know what they like, and how

to improve our quality of service.

Al Bausch
Buick Technician
Fish Hatchery Road



It's the people I work with. My team, including my service writer and parts person. They are critical to our success, making sure everything gets done and the car gets fixed right the first time!

Our Core Values

- Integrity
- Outstanding Customer Service
- Continuous Improvement
- Care, Concern and Respect for Employees
- Responsible Individual Initiative
- Strong Relationships with our Business Partners and Communities





P.O. Box 259566
Madison, WI 53725-9566

upcoming events

Madison-area Zimbrick Stores

Through August 23: Buick/GMC Grand Opening

Thursday, Sept. 16: Honda Owner's Clinic

Thursday, Sept. 23: Saturn Welcome Event

Monday, Dec. 6: Blood drive, Fish Hatchery Road location

Moved lately?

Remember to notify the payroll and human resource departments of a change in your address. Address changes can be submitted electronically at www.zimbrickeducation.com. If you need assistance, please contact your Office Manager.

Zimbrick

Company Picnic

Goodland Park • Madison, WI

Sunday, September 12th

12:00 pm to 4:00 pm

Food • Games

Refreshments

RSVP using the sign up sheet at your store or contact Jodie or Sanja at jflewitt@zimbrick.com or sheeriksen@zimbrick.com

Inflatable Fun For All Ages

