

MR. LUBE

DELOITTE

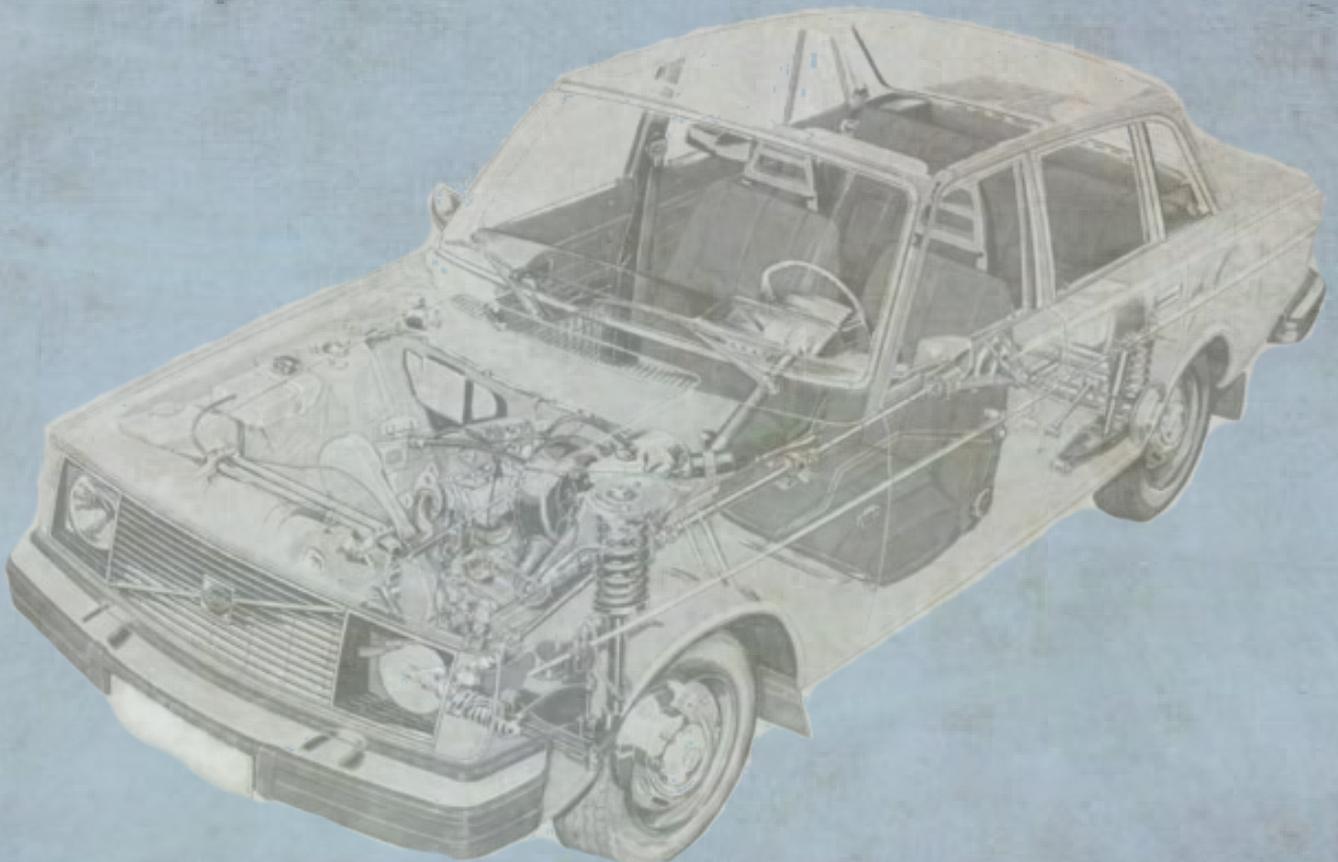
2012

Best Managed Companies



THE
BOOK

Take Good Care Guide



Company Locations:	Corporate Offices: Toronto, Vancouver
	Mr. Lube Service Locations: New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia
Shareholding and	Private Canadian Limited Partnership
Organizational Structure:	Held by Limited Partners
Markets Served:	Canada
Board Members:	Mike Cordoba, Chairman of the Board - Chief Executive Officer, Empresario Capital Partners Cliff Giese, Board Member - Mr. Lube Founder George C. Melville, Board Member - Co-Chairman/ Co-Owner of T&M Management Services Ltd., Boston Pizza Bill Ticknor, Board Member - Former President of Mr. Lube Greg Ticknor, Board Member - Franchise Owner of Mr. Lube Jan Ticknor, Board Member - Director of the Mr. Lube Foundation John Ticknor, Board Member Jim Treiving, Board Member - Co-Chairman/ Co-Owner of T&M Management Services Ltd., Boston Pizza

DRIVING STRATEGY AND GROWTH THROUGH SOUND FUNDAMENTALS

At Mr. Lube, we know there’s value in keeping it simple. While there’s always the necessity of responding to factors like fluctuations in the economic environment or competition within our sector, we have consistently focused on three critical pillars. These drive our strategy to ensure we’re able to adapt in a changing marketplace while maintaining focus on our core competencies and long-term goals. These pillars are:

1. Brand
2. Franchisee Profitability
3. Customer Service

These pillars, and the values which inspire them, are designed to help us become a world-class international franchisor. They guide many of the decisions that have distinguished Mr. Lube from other players in the quick-lube and quick-service industries. The three pillar approach is our key to providing a consistent framework within which our teams work to identify and pursue our strategic objectives.

Each of these pillars must be approached with full consideration for our company’s fundamental values of PEOPLE, PASSION, PERFORMANCE & PARTNERSHIPS. These values build tactics to support each pillar, which then support our drive forward towards our long-term goals: becoming a best-in-class service provider, being an international top employer, attaining the highest unaided brand awareness ranking in our category, and being number one in customer satisfaction.

THE PROCESS

The simplicity that drives our approach to business planning has allowed our entire organization to align itself culturally to focus on our two customer groups: the franchise owners and the end-users of our service. Keeping that focus,

with a strong brand presence, has positioned us firmly as the leader in the marketplace.

At Mr. Lube, we have discovered that we are better able to support our strategic pillars when we don’t work in silos. Instead, we strive to leverage our internal employees, our franchisees and our suppliers by working collectively to solve business issues. Our franchise network is our richest resource, and they are the ones who recognize both the challenges and opportunities on the front lines of the business. Our National Advisory Council (NAC), made up of an elected group of franchisees and selected corporate management, works together to identify strategic industry issues and to drive solutions. Branching out further, our supplier partners have access to vast amounts of knowledge and research that they share openly with us. From them, we’re able to share proven best practices and avoid potential pitfalls as we execute our short and long-term plans. Finally, we are fortunate to have an active and seasoned Board of Directors. In particular, the members from Boston Pizza are very supportive in sharing their recipes for success and have provided insight to remove many barriers faced by growing franchise organizations.

IDENTIFYING ECONOMIC & INDUSTRY TRENDS

A critical perspective is offered by the third-party input of our supplier partners, such as Castrol Oil, Walmart and Imperial Oil/Exxon. With them, the Mr. Lube organization is given a unique view of the challenges present in the market, as well as ways in which we can optimize franchisee profitability. Access to their knowledge allows us to forecast accurately, anticipating consumer demands and the changes in service needs and commodity pricing. At the same time, our franchisees give us a clear idea of our performance with our end user customers. They provide us with real-time, front-line research about the end-user, and extensive feedback on their own

experience as investors in their Mr. Lube franchises. Finally, the fact that our Board of Directors has ownership in various other retail businesses allows them to provide feedback from their experience with other investments and to guide our strategy in similar situations. As a result of all of this, Mr. Lube possesses a strong understanding of our own business and the overall marketplace challenges ahead.

STRATEGY LAUNCH & COMMUNICATION

Once our planning process is complete, and the plan approved by our Board of Directors, Mr. Lube's management team hosts a kick-off session in December/January to review the strategy and its targets with the entire company. We measure and communicate our success on key performance indicators such as EBITDA, franchise profitability, store openings, same store visits, same store sales and total system revenue through simple internal mechanisms. For example, we display posters in our lunch rooms that track the various metrics and ensure that the strategic road map is anchored with objectives relevant to each individual stakeholder, which serves to focus teams across the organization on the driving pillars.

Every employee within our organization is measured on both corporate and personal objectives that tie directly to our business plan. On the corporate level, metrics showing performance against our goals are posted on a monthly basis. Employees who are measured against various corporate goals can easily track their performance; these objectives must be measurable against our three pillar focuses of Brand, Franchisee Profitability and Customer Experience. Mr. Lube also conducts quarterly "town hall" meetings with our full staff – not only to celebrate achievement of our goals, but also to reinforce the critical role everyone plays in achieving our objectives.

Mr. Lube Canada - Short Term Incentive Plan (STIP) Results										
2012 STIP Targets										
Year to Date Results, ending August 30, 2012										
STIP Criteria	Factor	Weight	Target 2012	50%	75%	100%	125%	150%	175%	200%
1	System Revenue	Yr/Yr %	40%	7%	4%	6%	7%	8%	9%	12%
2	EBITDA	Yr/Yr %	40%	7%	0%	4%	7%	11%	14%	21%
3	Franchise Profitability	Yr/Yr %	20%	2.1%	0.1%	1.1%	2.1%	3.1%	4.1%	6.1%

Monthly corporate performance metrics.



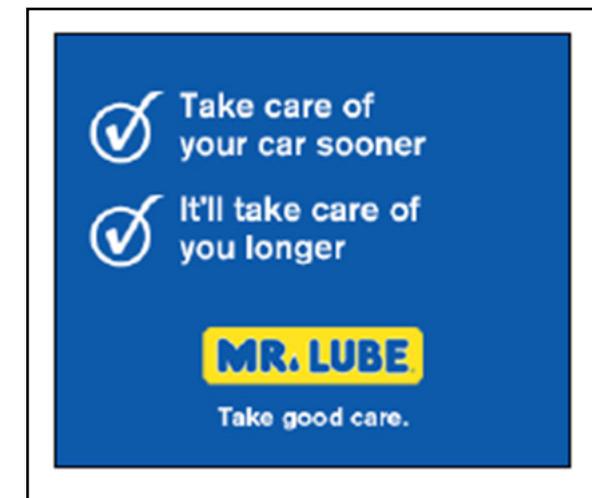
Lunchroom poster tracking key metrics.

DRIVING IT FORWARD

BRAND & MARKETING

Our Brand strategy is based on two value propositions: Quality and Convenience. Mr. Lube has invested heavily in national TV campaigns, coupled with a standardized regional radio campaign to augment the overall campaign. Mr. Lube is the only quick lube provider with a national campaign of this type. In recent years, we've won a host of Marketing awards both for our brand and for specific TV/print advertising.

In fact, with a small budget of approximately \$10M per year, we've effectively positioned Mr. Lube as a much larger national organization. This was not only evident when we were recognized as one of Canada's Top Ten Marketers, but on a practical level when we launch stores in new markets to audiences already familiar with our brand proposition. This has resulted in driving customers to our stores and delivering annual average positive same store sales growth of 4.8% each year over the past five years, while the industry has seen a decline of approximately 2% annually over that same period. In short, our brand messaging is reaching our intended market and our customer service is validating the consumer expectation.

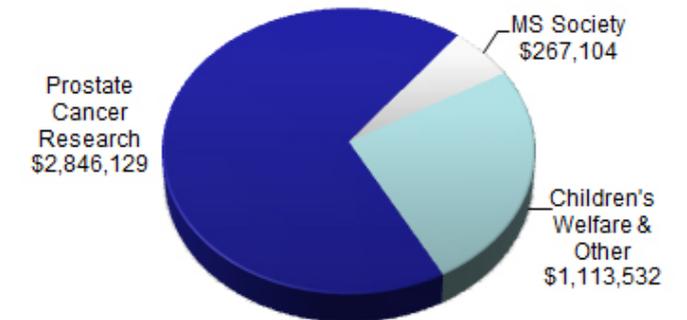


Online big box ad.

Our messaging in 2012 focused on a distillation of our core values to one phrase – 'Take good care'. This helps us continue to work on gaining consumer trust and, as a result, growing our market share.

Social Responsibility

The Mr. Lube Foundation is a strategic arm of Mr. Lube built to give back to the community. Over the past ten years, we have raised over \$4M for Prostate Cancer Research, Multiple Sclerosis Research and Children's Welfare. By establishing a strong presence in the community with our charitable ventures, we have enhanced the Mr. Lube brand and customer experience. Our dedication to corporate social responsibility comes not as an afterthought, but rather as a core value of our brand.



Mr. Lube Foundation Lifetime Giving.

FRANCHISE PROFITABILITY / CORE COMPETENCIES & ALLIANCES

At Mr. Lube, we look at franchisee profitability as having two distinct challenges. First, to strive to grow store profitability every year in every store, and second, to increase the number of stores a franchisee owns to capitalize on efficiencies of scale and draw larger returns.

Also, we are focused on consolidating vendors and on cost reduction initiatives to improve franchisee profitability. Through our National

