



The Signal

2004 / VOLUME 2



LoJack Rolls Out Red Carpet in Las Vegas for Top-Performing LoJack Dealers

More than 300 of LoJack's guests "Deal Themselves a Winning Hand," during Four Day Q1 Incentive Trip



Capping a successful Q1 in which they met or exceeded ambitious hurdle rates for selling LoJack, more than 300 attendees from the East, South, and West Coast regions celebrated in style with a memorable four-day/three-night incentive trip to the Palms Hotel and Casino in Las Vegas.

For attendees, it was an unforgettable week, starting with a welcome cocktail reception at the Palms' stunning Skin poolside lounge. The open-bar event was an ideal kick-off where LoJack personnel and dealers gathered to renew acquaintances and make plans for an exciting few days. For some, the week continued with multiple rounds of golf, spa treatments, and, of course, a few trips to the gaming tables.

The highlight of the week was a special LoJack-hosted gala "Fire



and Ice" celebration at the renowned Rain nightclub (which LoJack rented out exclusively for the evening). Amid LoJack ice sculptures and the occasional 14-foot fireball shooting from ceiling fixtures, attendees enjoyed numerous hors d'oeuvres, buffet stations, and an open bar featuring special "LoJack Lightning" cocktails. A rousing performance by a unique group of musicians – complete with hubcaps, clubs, and garbage cans – was followed by extended DJ mixes that had most everyone on the packed dance floor.

If you were unable attend this special incentive trip, fear not.

More exciting opportunities are on the way – think sombreros and margaritas – in our upcoming Q3 promotion. Details coming soon for qualified dealers.

What's Inside:

Letter from the President
P. 2

Recovery Story
P. 3

LoJack Sponsorship
P. 3

Panel on Industry Ethics
P. 4



A Letter from the President



It gives me great pleasure to report to you that LoJack continues to enjoy tremendous success in the market – thanks to the efforts of partners like you. We recently reported a record-breaking first quarter of sales and profits, our eleventh consecutive quarter of year-over-year revenue growth, and our sixth consecutive quarter of increased year-over-year earnings.

In the U.S., our unit sales are up 21 %, which is remarkable, considering that car sales increased only 3.9 %. In March, we enjoyed a record month for total installations – 33,000 units – and two best-ever single-weekdays of 1,500 units and a record Saturday of 1,000 units. That impressive growth is a testament to your belief in and commitment to LoJack.

We're sincerely grateful to you for your ongoing support of LoJack – and we think even greater success awaits you in the future.

- We're rolling out LoJack coverage in new markets.
- We're expanding our acclaimed "Caught Stealing" promotion on baseball TV broadcasts in selected markets to further increase customer awareness of LoJack.
- We're adding new promotional incentives this year for our top-selling dealers.
- We're upgrading our Stolen Vehicle Recovery Network to ensure peak performance.
- We're developing the next-generation of LoJack product technology.
- We're responding to the growing demand for installation training.
- And we've strengthened our communications and relationships with law enforcement agencies to leverage their contributions.

As tremendously proud as we are of what we accomplished, you have my firm assurance that we refuse to rest on our laurels. With your continued commitment, I'm confident that we are well-positioned to meet and exceed our goals – and yours – in the coming quarters.

Sincerely,

Joseph F. Abely
President and COO

Product Update

LOJACK WARRANTY PRODUCTS:

How to Add Profitability for You — and Give Ultimate Security Protection to Your Customer

As a LoJack partner, you're already aware of the amazing value that LoJack provides vehicle owners by recovering a remarkable 90% of all LoJack-equipped vehicles that are stolen. But are you taking maximum advantage of the additional opportunity to provide greater assurance to your customers through LoJack's warranty products?

Have you thought about recommending to your customers that adding a warranty product to their LoJack unit protects their vehicle investment in the rare event that their stolen vehicle isn't recovered? There are two products you can offer:

LoJack Extended Recovery Warranty – If the vehicle is reported stolen within a LoJack coverage area and not recovered within 24 hours, LoJack will refund the LoJack purchase price (up to \$695) and cover parts and labor as well.

LoJack GP Recovery System – With this product, if the stolen vehicle is not recovered within 30 days after it's reported stolen, or is deemed a total loss after recovery within 30 days, LoJack pays up to \$2,500 directly to the customer *and* up to \$2,500 toward the purchase of a replacement vehicle at the dealership of original purchase.

These products not only give added peace of mind to your customers, they also increase your per-sale profitability. In a typical situation, adding a GP Recovery System to a LoJack sale, adds \$160 to your F&I profit. The Extended Recovery Warranty brings an additional \$75. Sell them both and you've added \$235 to your LoJack sale – with no product to inventory.

Best of all, you're selling quality products. The LoJack GP Recovery System complies with all current state warranty regulations and statutes and is backed by Virginia Surety, Inc. – a subsidiary of AON Corp., which received an "A" rating from A.M. Best.

LoJack warranty sales continue to grow. Over the last four years, sales have grown an average of 75% annually. Today, on average, two of every three LoJack units are accompanied by a warranty product.

Contact your account manager to find out complete details about the benefits of selling LoJack's warranty products.

Recovery Story

TWO MERCEDES STOLEN FROM DEALERSHIP LOT

Date of theft:
8/28/03

Vehicle description:
1995 Mercedes SL

Stolen from:
Atlanta

Recovery time:
3 hours, 19 minutes

Key facts:
No damage

For Atlanta Classic Cars, LoJack isn't just an "aftermarket afterthought." That's because the dealership had the foresight to pre-install a LoJack Stolen Vehicle Recovery System on some of its high-value vehicles, including a 1995 Mercedes SL that was for sale on its lot. When thieves struck, taking two LoJack-equipped Mercedes, Atlanta Classic Cars quickly called the Gwinnett County Police Department and reported the thefts.

That standard report automatically activated the hidden LoJack unit in the stolen '95 Mercedes SL. Within minutes, Gwinnett County Police picked up the silent signal and tracked it to an apartment complex where *both* stolen vehicles were found – abandoned and in otherwise excellent condition.

More than 120,000 vehicles worldwide have been recovered with LoJack, the only stolen vehicle recovery system used by police.

Talk to your account manager about pre-install options.

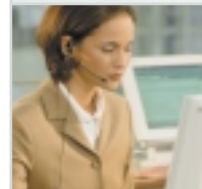
How the LoJack Stolen Vehicle Recovery System works:

1 Installation



LoJack unit hidden in vehicle by certified technician. Registered in LoJack database.

2 Notification



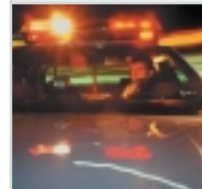
Customer reports theft to police. Customer notifies LoJack.

3 Activation



Police send radio signal from tower. LoJack unit emits uniquely coded signal.

4 Location



Police track signal and use it to locate the vehicle, usually within hours.

5 Recovery



The vehicle is returned to owner.

LoJack TV-Baseball Sponsorship a Hit!



In 2003, LoJack rolled out an innovative sponsorship during cable television broadcasts of Boston Red Sox games on New England Sports Network, tying the LoJack brand to one of the world's most beloved sports franchises. When opposing runners were nabbed trying to steal bases, an on-screen graphic showing the LoJack logo and the words "Caught Stealing" appeared, accompanied by play-by-play announcer Don Orsillo's voice-over and the "ear-catching" sounds of a jail-cell door closing. Fans viewing the game would see the LoJack brand periodically throughout the broadcasts that ran from April through September. Similar tie-ins also ran in Phoenix during broadcasts of Phoenix Suns basketball and Phoenix Coyotes hockey games.

Earlier this Spring, that campaign earned top honors from *MediaWeek* for the "Best Use of Local Television" – especially significant, since the Caught Stealing sponsorship doesn't use a standard 30-second spot. Based on the campaign's success, LoJack will expand it from Boston and Phoenix into other select sports brands across the U.S.

LOJACK: THE ONLY STOLEN VEHICLE RECOVERY SYSTEM USED BY THE POLICE



Mr. John Sample
 Sample Corporation
 123 Sample Street
 Sampletown, MA 02134

LoJack Hosts Industry Ethics Roundtable

LoJack has taken a leadership position on compliance issues affecting the automotive industry. Together, with our partners, we will work to deliver ethical and profitable solutions that benefit our industry and our customers.

LoJack recently convened a special roundtable discussion, "Ethics in the Automotive Industry: The Road to Rebuilding Trust and Restoring Credibility." Participants brought a variety of perspectives and insights on compliance and ethics issues, including representatives from dealers, aftermarket shops, legal professionals, and industry analysts. During the spirited session, the group addressed three critical areas:

- Practices within dealerships
- Aftermarket products and pricing
- Policing of the industry

A summary of the roundtable discussion, recommendations, and presentations will soon be available on the LoJack Web site.



The roundtable was held on May 25 at The Fairmont Copley Plaza in Boston. Participants included (from left): Frank Viquez, Director of Automotive Electronics, Allied Business Intelligence; Paul Monarch, Vice President of F&I, AutoNation; Joseph Abely, President and COO, LoJack Corp.; Donna Driscoll, Vice President of Global Marketing, LoJack Corp.; Robert Shimberg, Shareholder/ Attorney with Tampa-based law firm Hill, Ward and Henderson; Brian Gelt, Finance Director, Galpin Motors; Paul McMahon, Director of Corporate Communications, LoJack Corp.; and Joan Shim, Managing Editor, F&I Magazine.

What's Inside:

Letter from the President
 P. 2

LoJack Warranty Products
 P. 2

Recovery Story
 P. 3

LoJack Sponsorship
 P. 3

In order for us to communicate to you more effectively about LoJack news and announcements that impact your business, please give us your e-mail at TheSignal@lojack.com.

The Signal

2004 / VOLUME 2



A LoJack Opportunity with Every Vehicle

Savvy dealers are increasingly recognizing a few very important statistics. From 1999 to 2002, the percentage of cars and light trucks sold with a factory-installed alarm rose from 32 percent to 55 percent – and that will likely continue to grow. Remote starters are also starting to follow a similar pattern.

The other key stat: the percentage of more than 365,000 LoJack Stolen Vehicle Recovery Systems sold last year that were installed on an OEM basis: ZERO.

What does it mean for you? An outstanding opportunity to strengthen and expand your aftermarket profits with LoJack – and avoid the problem of OEM competition. While alarms, remote starters, and navigation systems continue to become factory-installed items, LoJack remains the “100-percent opportunity” – every vehicle sold is an opportunity for you to sell and install LoJack. When you’re investing your time to build a relationship with a product and company, it’s worth remembering

some important facts about LoJack:

- LoJack takes less time to install than alarms and has virtually zero defects or call backs.
- Because LoJack is a nationally recognized brand – most customers already know who LoJack is – which makes the sale easier. recoveries – enhances your value to dealers.
- With product regulation concerns in our industry, you can be assured that LoJack’s stability and product value are not in question due to its 18-year history and proven track record in vehicle recovery.

With facts and statistics like these, it’s no wonder that more dealers are investing their efforts to build a stable, profitable, and growing future with LoJack.

What’s Inside:

Letter from the President
P. 2

Recovery Story
P. 3

LoJack Sponsorship
P. 3

Panel on Industry Ethics
P. 4



The Signal

2004 / VOLUME 2



LoJack Helps Dealers Ramp up Sales through Targeted Support

More than 90% of LoJack sales are generated through our strong partnerships with dealers, so it's no surprise that LoJack continues to strive to create and strengthen those essential relationships. Earlier this year, LoJack unveiled another milestone in these efforts with the "Inside Dealer Sales Program," an initiative specifically targeted to help up-and-coming dealers increase their market penetration through enhanced sales support. While the needs of dealers may vary, the goal is always the same: increase the dealer's market penetration of LoJack products and services to increase their back-end profits.

A key component of the program is a new centralized LoJack call center, staffed with a team of experienced LoJack representatives with expertise in both automotive sales and sales training. LoJack created this call center specifically to support you,

and promptly provide any needed support on the LoJack product or our services.

Our dedicated inside sales support team helps us deliver the level of service that you – and, most importantly, your customers expect. For more than 18 years, LoJack has provided a high-quality product with a proven, measurable value, industry-leading recovery success rates, and a tight partnership with law enforcement agencies across America. Just as important, that cost-effective solution provides your customers with the added peace of mind that comes from protecting their investment in a new vehicle.

What's Inside:

Letter from the President
P. 2

Recovery Story
P. 3

LoJack Sponsorship
P. 3

Panel on Industry Ethics
P. 4



Call us today to discuss how LoJack can help increase your bottom line while providing exceptional value to your customers: 1-866-552-2548 ext. 2569.