

AUTOMOTIVE PARTS BIDDING SYSTEM EXTENDS INDUSTRYWIDE

Press Release, Sproket Markets Ltd, Wellington, New Zealand, 13-Jul-07: Sproket Markets, which owns and operates IAG NZ's (parent company of NZI and State Insurance) successful automotive tender system, Partstrader, is extending the system to other insurers, auto trade bodies, external assessment companies and major car manufacturers nationwide.

Using a competitive tender model, the Partstrader system enables crash repairers to source automotive parts from approved suppliers.

It was developed three years ago by Sproket Markets to help improve the efficiency, reliability and transparency of the insurance claims process, and to reduce the costs of parts procurement.

Until recently the system was available exclusively to IAG NZ's preferred repairer network; IAG has now agreed to make this available to others in the industry in New Zealand, including all quality professional vehicle repairers and automotive parts suppliers.

The new changes to Partstrader will happen in two stages over the next few months. The first stage will enable existing Partstrader users to purchase parts online for claims not relating to IAG NZ. The second stage, around December this year, will be to support a more open market model to allow new users to register on Partstrader, and to integrate other insurer and supplier systems. Partstrader will also introduce the ability for repairers to directly upload their requests from systems like Autoquote and Flexiquote.

Rob Cooper, Sproket Managing Director and Partstrader Manager, explains, "While IAG NZ will continue to fund Partstrader for use in servicing its claims, to cover the costs of extending the service to the rest of the industry Partstrader will introduce a 3.5% success fee to suppliers on the value of their successful quote. Suppliers can choose to automatically and visibly on-charge the transaction fee in their quotes. No other fees will be introduced, and the system will remain free for vehicle repairers."

"This month we will be contacting all insurers, auto trade bodies, assessors, and manufacturers to look at how Partstrader can add value to their business, and what improvements, if any, they would each like implemented to help improve the system. We intend to welcome a select number of new members by the end of the year."

In the meantime, the Partstrader team is welcoming all professional automotive repairers and parts suppliers to register their interest at www.partstrader.co.nz, or email jo.healey@sproket.co.nz, or telephone 04 472 7270.

About Sproket Markets Ltd

Sproket Markets Limited operates Partstrader in New Zealand (and soon in Australia) and is the owner of all of the intellectual property associated with Partstrader globally. The company was established in October 2005 and is owned by Rob Cooper (Managing Director), Colin Bevan (who was also a Trade Me shareholder) and Intergen (NZ's largest Microsoft software developer). Sproket believes in the principals of an open, fair and transparent market that is for the benefit of all its stakeholders, and welcomes communication with all interested parties. For more information please visit www.sproket.co.nz, or email Rob Cooper at rob.cooper@sproket.co.nz.

About IAG New Zealand Limited

IAG New Zealand Limited (IAG NZ) trades under the State and NZI insurance brands and underwrites general insurance for some of the country's leading financial institutions. IAG NZ is New Zealand's largest general insurer, with a 36% share of the insurance market, managing 2.7 million policies on behalf of more than 1 million New Zealanders. IAG NZ is a wholly owned subsidiary of Insurance Australia Group (IAG), Australasia's largest general insurer.

About Partstrader

Partstrader is an automotive tender system that enables vehicle repairers nationwide to obtain quotes for automobile parts from approved suppliers. Benefits include:

For Repairers:

- Seamless process for procuring parts
- Easier parts quoting process
- Less time spent on the telephone collecting quotes for car parts
- Ability to create requests for quotes outside of working hours
- Email reminders when tasks are ready to action
- Easy tracking of job progress
- Accurate reporting

For Suppliers:

- Can quote to more insurer approved NZ repairers, creating a larger customer market
- Includes new, used and specialists
- Only approved professional suppliers can register on Partstrader
- Standardised rates and margins gives increased business opportunities to efficient suppliers
- Can respond to a request when convenient, instead of constant phone interruptions
- All quotes provided are confidential - suppliers cannot see each others' quotes
- Photos of vehicle online help to accurately identify the parts required
- Larger volume of opportunities = increased sales potential
- Future expansion will increase exposure to larger markets

For Claims Assessors:

- Easy to view all jobs assigned
- One click approval of parts quotes
- Notification of exceptions e.g. if best price is not selected or no quotes received
- Ability to request parts quotes if required
- Ability to better manage repairer and supplier performance through reporting
- Access to reporting to gain average parts price information

For Insurance Managers:

- Access to excellent management information through reporting
- Able to better manage repairer and supplier performance through reporting
- Access to parts prices trend information
- Aid underwriting in risk assessment

- Ends -

For more information please contact:

Rob Cooper, Managing Director
Sproket Ltd
Tel: 04 472-??? 472 7270
Mobile: 021 345 261
Email: rcooper@sproket.co.nz

Shelley Grell, PR Director
Communicate IT Ltd
Tel: 03 381 6656
Mobile: 021 747 355
Email: shelley@communicateit.co.nz

Editors Notes:

Questions & Answers

For the benefit of all Partstrader members we have summarised the answers to the following questions below:

1. Does that mean any repairer or supplier will be able to use Partstrader?
 2. What about the quality of these new suppliers & repairers?
 3. Does that mean everyone will be able to see IAG parts requests?
 4. Will everyone have to pay the 3.5% success fee?
 5. If I do not get the order can I get a refund on the success fee?
 6. How do I pay the fee?
 7. Will I be able to change the makes and areas I supply in?
 8. Do I have to give credit to bad payers?
-

1. Does that mean any repairer or supplier will be able to use Partstrader?

No. Under the open market new repairers and suppliers can apply to join Partstrader. All applicants will undergo a strict qualifying process and reference checking - including checking with an existing Partstrader network member.

This means you will be able to help us maintain the quality of the members.

If they do not meet these criteria they will not be able to join.

2. What about the quality of these new suppliers & repairers?

The quality of suppliers & repairers using Partstrader is a key factor in its success - rest assured we will make sure that we maintain that quality.

As outlined above there will be a strict qualifying process for new members and regular monitoring will let us know if anyone is not using the system in good faith (should this occur then this may well result in suspension from Partstrader).

3. Does that mean everyone will be able to see IAG parts requests?

No, this will not be the case. Only IAG NZ approved suppliers will be able to quote on IAG NZ requests. Also, just to reiterate IAG NZ will not have access to any of the open market (non- IAG NZ) requests.

4. Will everyone have to pay the 3.5% success fee?

No. All IAG NZ requests will remain free of fees because IAG pay for the Partstrader service directly for their jobs (IAG pay instead of suppliers).

As a result IAG suppliers continue to use the system as before and no fees will be charged.

The 3.5% success fee will only apply to open market (non-IAG NZ) requests.

These represent an additional opportunity for Suppliers to win more business separate from their business with IAG. However providing this service costs money. If there was no fee we could not provide the service.

Please note that the fee is only charged to the successful supplier(s).

Suppliers can add the fee to their quote so that they are not out of pocket.

5. If I do not get the order can I get a refund on the success fee?

Yes. The success fee is charged when a repairer accepts a quote. However, if a supplier never receives an order, or has the goods returned to them for a credit they will be able to request a credit of the success fee from Partstrader.

6. How do I pay the fee?

The fee can be paid by credit card or by online bank payment.

7. Will I be able to change the makes and areas I supply in?

Eventually. The control of supplier coverage (the makes and regions that a supplier can quote on) will remain in IAG NZ's hands until January 2008.

After that we will give suppliers more control over choices of the brands and regions they wish to supply. IAG however will still have the right to block any given supplier from receiving IAG NZ jobs if they so choose.

8. Do I have to give credit to bad payers?

No. Suppliers have expressed concerns about offering credit to unknown buyers or known bad payers.

The next release of Partstrader (in August 2007) will allow suppliers to set the terms of payment on their quotes (credit on account or cash on delivery). This will allow Repairers to know when they choose a quote what the terms of payment are and can choose accordingly.