



Automotive Aftermarket

Quarterly Dashboard

Market Intelligence for Industry Players

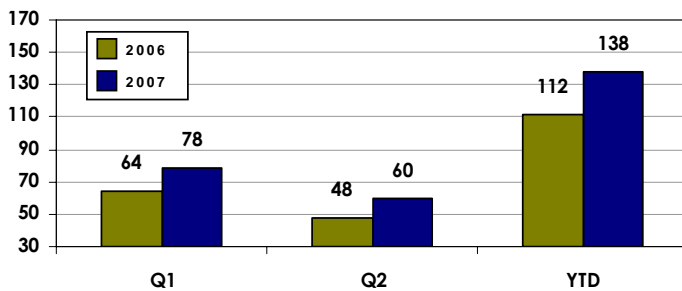
Q2 2007

Transaction Activity

M&A activity has remained strong through the second quarter of this year. Auto aftermarket M&A transaction volume through June 30th of this year was up 23.2% over the same period last year. The increase was driven by an especially strong first quarter, which saw global M&A activity reach an all-time high.

Capstone Partners expects the rapid pace to continue in the near term due to abundant private equity capital, availability of debt, the continued presence of aggressive strategic acquirers and scale advantages inherent in the automotive aftermarket industry.

Year-to-Date Transaction Volume



Source: Capital IQ and Capstone Partners research

Selected Second Quarter Deal Briefs

American Tire Distributors acquires Jim Paris Tire City of Montebello.

The deal is ATD's fourth since Investcorp S.A. acquired the company from Charlesbank Capital Partners in a secondary buyout valued at \$710 million in March of 2005. Jim Paris Tire is a Montebello, Colorado-based distributor of tires and wheels that will expand ATD's service across the entire state of Colorado. At the time of this writing, ATD announced its fifth deal since being acquired by Investcorp with the purchase of five distribution centers across Florida from Martino Tire Company.

Selected Second Quarter Deal Briefs (continued)

HD Partners acquires NHRA's professional racing assets.

This transaction was interesting because it was facilitated through a Special Purpose Acquisition Corporation or SPAC. SPACs are shell or blank-check companies that have no operations and go public with the intention of merging with or acquiring a company with the proceeds of an initial public offering (IPO).

In June of 2006, HD Partners Acquisition Corp. sold 18,750,000 shares in its IPO at \$8.00 per share. This gave the company nearly \$150 million after fees to buy companies in virtually any segment of the media, entertainment, or telecommunications industries. The company's 10-K lists live event entertainment and venue management among 13 specific sectors of interest.

With HD Partners' senior executives all hailing from DIRECTV, there is no doubt the company understood the licensing and advertising potential of the world's premier drag racing association. Furthermore, the wild success of NASCAR – now the largest and fastest growing spectator sport in the U.S. – probably factored in as an important investment case study.

LKQ acquires Dominion Auto, Cenla Body, AI's Atomic Auto Parts & Pick U and Thruway Auto.

LKQ continues the buying binge it began in earnest when it went public in October 2003. The Company's consolidation strategy is proving to be a tremendous success so far with its stock trading at nearly 30 times earnings. This lofty valuation makes it easy for the junkyard consolidator to get earnings-accretive deals done.

On July 17th, LKQ announced plans to acquire Keystone Automotive Industries in a deal valued at approximately \$807 million. The deal, which will create a combined business with greater than \$1.5 billion in annual sales, points to LKQ's continued use of acquisitions as a core growth strategy and is likely to spur continued consolidation in the industry.

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Quarterly Dashboard

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Thule acquired by Nordic Capital. Thule is becoming a private equity favorite. The sale of the company to Nordic Capital, a Scandinavian private equity firm, represents its third financial sponsor led deal in a row. Swedish private equity firm EQT acquired the company in September 1999 and sold it to Candover, a UK-based private equity firm in December 2004.

In May of this year, Thule, a manufacturer of roof racks and storage accessories, acquired Case Logic, a leading supplier of storage and organizational solutions. Since 2004, the company has made eight acquisitions. Recent deals include its January 2004 acquisition of C&C Distributors, a Maine-based snowmobile trailer manufacturer, and its March 2006 purchase of Austria-based Pewag Schneeketten Group, a manufacturer of snow chains for passenger cars and professional use.

The Case Logic acquisition may signal a shift in strategy for Thule as it diversifies into complimentary product lines and beyond its focus on sport utility transportation. Thule is Nordic Capital's third automotive investment. Nordic Capital's other auto holdings are Plastal-DNK, a supplier of plastic automotive components, and Finnveden, a developer and manufacturer of metallic automotive components.

Windjammer Capital Investors acquires BBB Industries. Windjammer, along with BBB management, acquired the company from private equity firm ShoreView Industries. The deal represents Windjammer's first foray into the aftermarket industry. The firm is a generalist investor that prefers companies with over \$7 million in EBITDA and will invest up to \$100 million in portfolio companies.

The acquisition of BBB, a Mobile, Alabama-based supplier of new and remanufactured starters and alternators, is likely a precursor to further investments in the space. Windjammer will consider add-on acquisitions of any size and BBB has an acquisitive history. The company was founded in 1987 as a regional re-manufacturer and distributor of foreign starters and alternators, and has since acquired four alternator and starter manufacturers. BBB manufactures its products in Mexico and may be looking to acquire U.S. companies to further leverage its low-cost manufacturing capabilities.

Katzkin acquired by ClearLight Partners. In yet another secondary buyout, ClearLight partners acquired Katzkin Leather Interiors, a manufacturer of aftermarket leather seating kits, from Florida Capital Partners. The Montebello, California based company was originally recapitalized by Florida Capital in 1998 when the owner was looking to diversify his personal net worth and transfer some equity ownership to two key executives at the company. The investment by ClearLight is its first – but probably not its last – in the auto aftermarket industry.

U-Pull-&-Pay acquires A-1 Auto, Action Auto Wrecking & Aurora Used Auto, and Super U Pull & ABQ Auto. U-Pull-&-Pay, like LKQ, seems to have emerged as another junkyard industry consolidator. However, the company's strategy is more DIY focused. The company is a direct subsidiary of scrap metal broker The David J. Joseph Company and an ultimate subsidiary of SHV Holdings N.V., a Dutch petroleum trader. The three acquisitions announced in the second quarter made U-Pull-&-Pay one of the most active acquirers during the period.

Second Quarter Automotive Aftermarket M&A Transactions

Announced / Closed	Target / Acquirer	Target Description	Implied EV (\$mm)	EV/LTM	
				Revenue	EBITDA
6/29/2007 Pending	BBS Krafffahrzeugtechnik AG Punch International NV	Manufactures light alloy wheels for motor sport and off-road vehicles, as well as apparel and accessories	-	-	-
6/28/2007 Pending	Allison Transmission Onex Corporation; The Carlyle Group	Manufactures automatic transmission products for trucks, buses, off-road vehicles and recreational vehicles	5,575.0	2.5x	-
6/28/2007 6/28/2007	BBB Industries, Inc. Windjammer Capital Investors, L.L.C.	Produces new and remanufactured automotive alternators and starters	-	-	-
6/28/2007 6/28/2007	A-1 Auto Recyclers U-Pull-&-Pay, LLC	Operates a self serve used auto parts store	-	-	-
6/27/2007 6/27/2007	Katzkin Leather Interiors, Inc. ClearLight Partners, LLC	Manufactures and distributes leather automotive interiors and seat kits	-	-	-
6/26/2007 6/26/2007	Pneusevice Birseck AG Vianor Russia Holding Oy	Markets and distributes tires for automobiles	-	-	-
6/26/2007 6/26/2007	Pneuhau R Haur Vianor Russia Holding Oy	Markets and distributes tires for automobiles	-	-	-
6/25/2007 Pending	The Automobile Association Limited Saga Group Ltd.	Provides roadside assistance services to motorists in the United Kingdom	-	-	-
6/22/2007 Pending	Eaton Corp., Mirror Controls Division Englefield Capital LLP	Manufactures mirror actuators and power-fold actuators for external automotive mirror systems	111.0	0.8x	-
6/22/2007 6/22/2007	Action Auto Wrecking, Inc., Aurora Used Parts U-Pull-&-Pay, LLC	Operates as a used auto parts store and removes and sells auto accessories	-	-	-
6/22/2007 Pending	Promotora de Industrias Mecánicas, S.A. de C.V. MAHLE, Inc.	Manufactures automobile components and spare parts	-	-	-
6/13/2007 Pending	Collins & Aikman Ext. Components Business Flex-N-Gate Corporation	Manufactures automotive parts	10.4	-	-
6/12/2007 Pending	Automotive Components Holdings, Lighting Business Meridian Automotive Systems, Inc.	Produces automotive lighting products including front, rear and signal lights	-	-	-
6/8/2007 6/8/2007	Plastic Trim LLC Minth Group Ltd.	Manufactures extruded and injection molded exterior plastic trim and body side molding for automakers	-	-	-
6/7/2007 6/7/2007	Lewis-Goetz & Company, Inc. Audax Group	Provides belting, hose and sealing solutions including hydraulic hoses, expansion joints, filters and nozzles	-	-	-
6/7/2007 6/7/2007	Super U Pull, ABQ Auto Recyclers, Inc. U-Pull-&-Pay, LLC	Operates a self serve used auto parts store	-	-	-
6/4/2007 6/5/2007	Mevotech Inc., Clutch Division Perfection Clutch Co.	Manufactures and installs clutches for small and heavy trucks	-	-	-
6/1/2007 6/1/2007	Mevotech Inc., Water Pump Division ASC Industries, Inc.	Manufactures and markets automotive water pumps	-	-	-
5/31/2007 Pending	Thule AB Nordic Capital; Nordic Capital VI, L.P.	Manufactures traction and load carrying systems for cars including roof rails, bike racks, ski carriers and snow chains	-	-	-
5/31/2007 Pending	Jim Paris Tire City Of Montbello Inc. American Tire Distributors, Inc.	Markets and distributes auto components and spare parts	-	-	-
5/31/2007 6/4/2007	Dominion Auto Recycling Inc. LKO Corp.	Offers rebuilding services for vehicles and used auto part collection	-	-	-
5/31/2007 5/31/2007	Cenla Body Parts LKO Corp.	Sells aftermarket automotive components and vehicle body parts including doors, wheels, lights and radiators	-	-	-
5/30/2007 Pending	National Hot Rod Association, Pro. Racing Assets HD Partners Acquisition Corp.	Conducts professional drag racing competitions and holds the contract for broadcasting NHRA races	121.0	1.3x	10.9x
5/30/2007 5/30/2007	Petro Stopping Centers LP TravelCenters of America LLC	Owns and operates multi-service truck stops that offer fuel, restaurants and truck maintenance and repair services	300.0	0.1x	4.6x
5/25/2007 Pending	Kharkiv Tractor Works Techbest Limited	Manufactures engines and spare parts for tractors and combines, and other agricultural machinery in Ukraine	-	-	-
5/24/2007 Pending	Shadow Tinting Ltd. XPEL Technologies Corp.	Offers car window tinting, automotive paint and headlight protection kits	-	-	-
5/24/2007 5/24/2007	Compass Product Ideas RC2 Corp.	Manufactures booster car seats, strollers, care and play centers and travel systems	-	-	-
5/22/2007 6/5/2007	XG Power, Inc. Ise Blu Equity Corp.	Manufactures power equipment including automotive accessories and agricultural and construction equipment	1.0	-	-
5/22/2007 5/22/2007	Trilogix Electronic Systems Inc. Directed Electronics, Inc.	Distributes remote car starters and alarms, keyless entry units and other automotive electronics and accessories	-	-	-
5/17/2007 Pending	Independent Gas Tank Co., LLC Bad Toys Holdings Inc.	Offers custom built steel gas tanks and fenders, especially for aftermarket stretched frames	-	-	-
5/18/2007 6/7/2007	Auto Wheel & Rim Service Co., five stores in KY TruckPro, Inc.	Distributes aftermarket parts and accessories for heavy-duty vehicles	-	-	-

EV = Enterprise Value

LTM = Last 12 Months

Source: Capital IQ

Second Quarter Automotive Aftermarket M&A Transactions

Announced / Closed	Target / Acquirer	Target Description	Implied EV (\$mm)	EV/LTM	
				Revenue	EBITDA
5/13/2007 Pending	PRIMEDIA Enthusiast Media, Inc. Source Interlink Companies, Inc.	Offers magazines, television programs and branded products related to automotive enthusiasts	1,177.9	2.2x	-
5/1/2007 5/1/2007	Toyoda Mitsui Europe, UK Parts and Service Business The 600 Group PLC	Manufactures and distributes machine tools and parts, accessories, lasers and other engineering products	0.8	-	-
5/1/2007 5/1/2007	Classic Automotive Group Penske Automotive Group, Inc.	Automotive dealer offering new and used automobiles, and auto maintenance and repair services	-	-	-
4/30/2007 4/30/2007	Axiom Automotive Technologies, Inc. Transtar Industries, Inc.	Markets and distributes a variety of automotive parts and components	100.0	-	-
4/30/2007 6/4/2007	Case Logic, Inc. Thule AB	Manufactures electronic and media storage solutions and accessories as well as automotive organizers	-	-	-
4/30/2007 Pending	Auto. Components Holdings, Power Transfer Business Linamar Corp.	Produces steering and transmission components and power transfer units for all-wheel-drive vehicles	-	-	-
4/30/2007 4/30/2007	Tubex Manufacturing Ltd. International Muffler Company	Manufactures aluminized pre-bent and mandrel-bent pipes for the automotive aftermarket industry	-	-	-
4/27/2007 Pending	Dayco Europe Srl Sogefi SpA	Offers automotive transmission and timing belts, auxiliary transmission components, tensioners, hoses and dampers	-	-	-
4/26/2007 Pending	Harman International Industries Inc. Goldman Sachs, Kohlberg Kravis Roberts & Co.	Develops and manufactures audio, electronic and infotainment systems for vehicle applications	8,082.7	2.3x	14.2x
4/25/2007 4/25/2007	Arctic Fox, LLC Spell Capital Partners, L.L.C.	Supplies components to the heavy duty trucking and off-highway equipment markets	-	-	-
4/24/2007 Pending	Rhythm Corporation THK Co. Ltd.	Manufactures automotive parts including steering, suspension and other parts and components	-	-	-
4/24/2007 Pending	Earnhardt RV Centers FreedomRoads, LLC	Sells recreational vehicles, parts and accessories and repair services	-	-	-
4/20/2007 Pending	Collins & Aikman Corp., Carpet & Acoustics Division International Automotive Components Group	Manufactures of a broad range of automotive interior carpet and acoustic products	134.0	0.2x	-
4/19/2007 4/19/2007	Hi-Tach Oil, Co., Inc. Industrial Enterprises of America, Inc.	Manufactures oil supplements and lubricants including oil stabilizers, tuner juice, injector clean and other products	0.4	-	-
4/16/2007 Pending	Camping World, Inc. FreedomRoads, LLC	Supplies recreational vehicle accessories and camping equipment through its own retail outlets and catalogs	175.8	-	-
4/16/2007 Pending	Nordglass Sp zoo Enterprise Investors; Polish Enterprise Fund VI	Manufactures laminated automotive windscreens for cars, buses and light-duty trucks	-	-	-
4/16/2007 Pending	Cadence Innovation, Pounce Plant Sora Composites	Manufactures bumpers for automobiles	-	-	-
4/13/2007 4/13/2007	China Glass Holdings Limited Pilkington Group Limited	Produces glass and glass products including clear glass, tinted glass, coated glass, rolled glass and e-glass	-	-	-
4/10/2007 4/10/2007	ProFlow, Inc. PTA Holdings, Inc.	Offers automotive repair services with a focus on fuel systems	0.3	-	-
4/9/2007 4/9/2007	Two Manufacturing Facilities in Charlotte Spartan Chassis, Inc.	Manufactures chassis, frames and components for military mine-resistant ambush protected vehicles	-	-	-
4/5/2007 Pending	Composix Co. Ceramic Protection Corp.	Manufactures composite materials and products for the defense industry including military vehicle components	-	-	-
4/4/2007 Pending	Tower Automotive Inc., Substantially All Assets Cerberus Capital Management, L.P.	Manufactures automotive body structures, lower vehicle structures and suspension components	2,789.3	1.1x	13.1x
4/4/2007 4/4/2007	Auto Panels Plus LLC Keystone Automotive Industries Inc.	Manufactures and markets aftermarket auto parts	-	-	-
4/3/2007 Pending	TK Aluminum Ltd, Assets Related to Cast Cylinders and Engine Heads Nemak	Produces and distributes cast cylinders and engine heads for automobile engines	500.0	-	-
4/2/2007 4/2/2007	Vickers Pressings Ltd. AY Engineering Ltd.	Produces aftermarket floor panels, doors, trunk lids, hoods, and fenders	2.8	-	-
4/2/2007 4/2/2007	Aros Del Pacifico S.A. Titan Europe plc	Manufactures and retails wheels and tires for the mining industry	2.5	0.7x	-
4/2/2007 Pending	Automotive Components Holdings, Propshaft Business Neapco LLC	Manufactures automotive components including driveshafts, driveline products and catalytic converters	-	-	-
4/1/2007 4/1/2007	AI's Atomic Auto Parts and Pick U Parts LKQ Corp.	Sells used auto parts and buys used cars	-	-	-
4/1/2007 4/1/2007	Thruway Auto Parts Inc. LKQ Corp.	Sells auto parts and used vehicles	-	-	-

EV = Enterprise Value

LTM = Last 12 Months

Source: Capital IQ

Public Company Trading Multiples

(\$ in millions, except per share data)

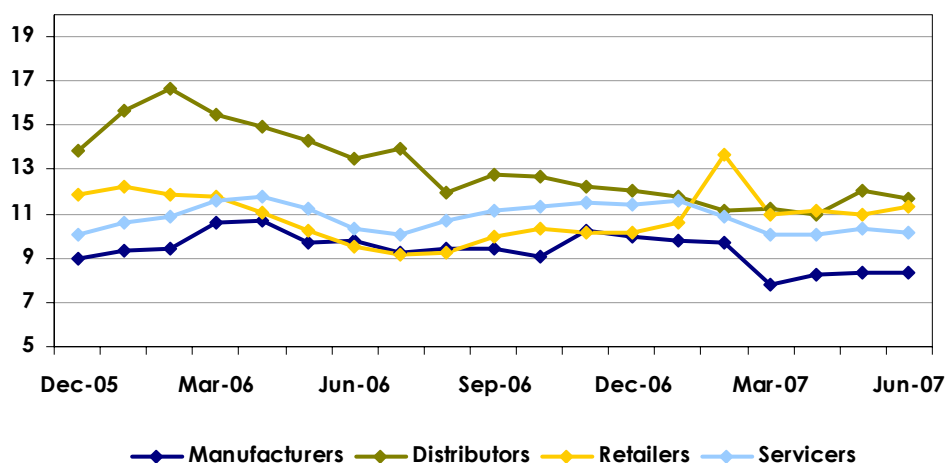
Company Name	Stock Price	% of 52-Week High	Market Cap	TEV	LTM		TEV/LTM		P/LTM Diluted EPS	
					Rev	EBITDA	Rev	EBITDA		
Manufacturers										
Aftermarket Technology Corp.	\$ 29.68	91.5%	\$ 648.4	\$ 645.2	\$ 510.4	\$ 71.0	1.3x	9.1x	30.0x	
Directed Electronics, Inc.*	8.84	54.2%	222.9	533.3	441.4	59.4	1.2x	9.0x	16.1x	
Dorman Products, Inc.	13.82	93.7%	244.4	265.4	301.3	38.2	0.9x	6.9x	17.3x	
Standard Motor Products Inc.	15.03	77.3%	283.7	537.1	801.8	53.1	0.7x	10.1x	29.1x	
Tenneco Inc.	35.04	97.8%	1,622.0	2,963.0	4,952.0	452.0	0.6x	6.6x	35.0x	
							Average	0.9x	8.3x	25.5x
							Median	0.9x	9.0x	29.1x
Distributors										
Genuine Parts Co.	\$ 49.60	96.0%	\$ 8,450.7	\$ 8,762.3	\$ 10,553.2	\$ 884.3	0.8x	9.9x	17.7x	
Keystone Automotive Industries Inc.*	41.37	93.7%	683.6	663.0	714.0	61.7	0.9x	10.8x	22.4x	
LKQ Corp.*****	24.66	94.6%	1,318.9	1,430.1	832.6	99.7	1.7x	14.3x	28.7x	
							Average	1.2x	11.7x	22.9x
							Median	0.9x	10.8x	22.4x
Retailers										
Advance Auto Parts Inc.	\$ 40.53	92.9%	\$ 4,314.7	\$ 4,825.9	\$ 4,691.6	\$ 576.2	1.0x	8.4x	18.5x	
AutoZone Inc.	136.62	97.4%	9,192.9	11,077.9	6,106.1	1,221.7	1.8x	9.1x	16.5x	
CSK Auto Corp.	18.40	96.1%	808.7	1,368.3	1,907.8	135.1	0.8x	7.8x	14.3x	
O'Reilly Automotive Inc.	36.55	94.1%	4,171.3	4,181.8	2,359.8	362.3	1.8x	11.5x	22.7x	
Pep Boys - Manny, Moe & Jack	20.16	89.6%	1,036.3	1,632.8	2,261.6	123.9	0.7x	13.2x	NM	
U.S. Auto Parts Network, Inc.	9.46	75.0%	282.2	237.8	145.8	13.4	1.6x	17.7x	NM	
							Average	1.3x	11.3x	18.0x
							Median	1.3x	10.3x	17.5x
Servicers										
Midas Inc.	\$ 22.67	95.5%	\$ 335.0	\$ 438.8	\$ 175.8	\$ 41.2	2.5x	10.6x	39.2x	
Monro Muffler Brake Inc.	37.45	96.0%	538.5	591.5	417.2	60.8	1.4x	9.7x	25.6x	
							Average	2.0x	10.2x	32.4x
							Median	2.0x	10.2x	32.4x

Source: Capital IQ (LTM as of June 30, 2007)

Public Company EBITDA Multiples

- Public auto aftermarket wholesaler and distributor valuations have fallen significantly since peaking in early 2006 and have since converged with auto aftermarket retailer valuations in the 11x-12x EBITDA range.
- Public auto aftermarket repair and service provider valuations have been relatively stable over the past 18 months, ranging from 9.7x to 11.8x EBITDA.
- Public auto aftermarket manufacturers have consistently been the lowest valued companies on an enterprise value to EBITDA basis over the past 18 months, ranging from 7.8x to 10.7x EBITDA.

Historical EV/EBITDA Multiples

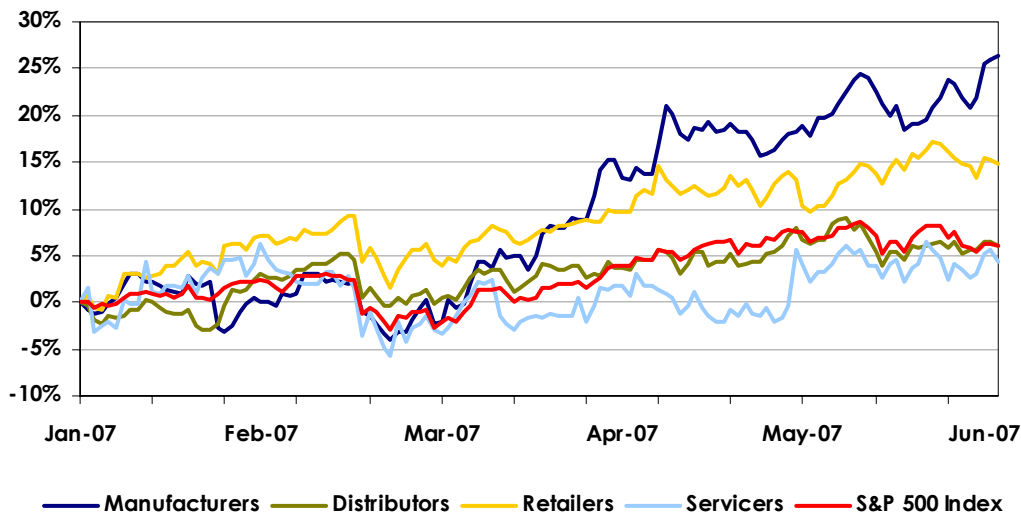


Source: Capital IQ and Capstone Partners research

Indexed Stock Price Performance

- Publicly traded automotive aftermarket manufacturers have performed especially well so far this year, with the Capstone Automotive Aftermarket Manufacturer Index up 26.3% as of June 30th, compared to a 6.1% increase for the S&P 500 index. This was driven by a 41.4% increase in Tenneco, the largest component of the market-cap weighted index.
- Public automotive aftermarket retailers also posted a strong showing in the second quarter, with the Capstone Automotive Aftermarket Retailer Index achieving year-to-date gains of 14.8%. This was driven by strong gains in Advance Auto Parts (+13.9%), AutoZone (+15.2%), O'Reilly Automotive (+13.5%) and Pep Boys (+34.8%).
- Auto aftermarket distributors and repair and service providers slightly underperformed the S&P 500 with relevant indexes rising 5.9% and 4.3%, respectively. Despite strong gains from Keystone Automotive (+21.3%) and LKQ (+9.9%), performance of the Capstone Automotive Aftermarket Distributor Index was largely driven by a 4.3% gain in Genuine Auto Parts, its largest component. The Capstone Automotive Aftermarket Servicers Index is comprised of only two stocks, Midas, which declined 0.7%, and Monroe Muffler Brake, which increased 7.9%.

Public Auto Aftermarket Stock Indices



Meet with Capstone Partners at SEMA This Fall

Capstone Partners will be at Automotive Aftermarket Industry Week in Las Vegas from Tuesday, October 30 to Friday, November 2, 2007. Please contact Capstone if you are interested in scheduling a meeting with one of our Auto Aftermarket M&A Professionals:

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Automotive Aftermarket

Representative Transactions

WALL STREET EXPERTISE – BUILT FOR THE MIDDLE MARKET

The following transactions were closed by Capstone Partners or professionals currently employed at Capstone Partners.



Has been
acquired by

FRIEND SKOLER & CO.



Has divested
assets to

ROMEO RIM, INC.
THE RESERVE GROUP



Has been
acquired by

LUND INTERNATIONAL, INC.



Has been
acquired by

LAB SAFETY SUPPLY, INC.



Has been
acquired by

LUVERNE TRUCK
EQUIPMENT, INC.



Has been
acquired by

DUBIN CLARK & COMPANY

About Capstone Partners LLC

Capstone Partners LLC is a leading national investment banking advisory firm dedicated to serving the transaction needs of middle-market companies. The firm provides corporate sale & divestiture, merger & acquisition and private placement advisory services across three major industry practices: Specialty Products, Business Services and Technology & Media. Our team possesses significant experience spanning hundreds of M&A and financing transactions. All of our transactions are supported through industry-specific research and relationship coverage capabilities.



Capstone Partners LLC

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