



# Automotive Aftermarket

## Quarterly Dashboard

Market Intelligence for Industry Players

Q2 2008

### Second Quarter 2008 M&A Commentary

Despite the global downturn in merger and acquisition activity, the auto aftermarket industry continues to post strong volume. Year-over-year, the industry is at about the same level of activity with 59 transactions announced in the second quarter of 2008 compared to 60 in the second quarter of 2007.

However, private equity activity in the industry was down substantially in the second quarter. There were only about half as many deals completed by financial sponsors in the second quarter of this year compared to the same period last year.

Also, compared to the first quarter of this year, transaction volume is down 30%. That said, transaction volume for the first half of 2008 compared to the same period last year is up over 4%. This statistic is impressive when one considers that global merger and acquisition activity dropped significantly in the first half of 2008.

### Selected Second Quarter Deal Briefs

**Eckler's Industries, Inc. Acquires Performance Products Euro and The El Camino Store.** Century Park Capital Partners, the private equity firm that owns Eckler's, had a very busy second quarter this year. The firm completed two add-on acquisitions for its catalog retailer of aftermarket parts for classic cars.

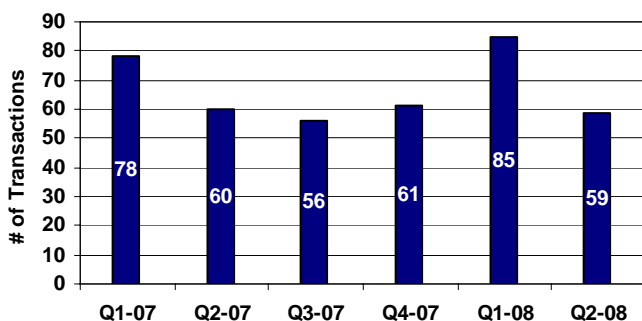
In May of 2008, Century Park bought the El Camino Store. Headquartered in Goleta, California, The El Camino Store is a retailer and distributor of 1959 to 1987 Chevrolet El Camino vintage replacement parts.

Guy Zaczepinski, a Vice President with Century Park Capital Partners, said, "The combination of strong organic growth and highly synergistic acquisitions continues to make Eckler's the most recognized and respected name across the enthusiast classic car industry. This acquisition will help Eckler's continue to pursue its proven growth strategy of leveraging leadership in catalog and internet marketing with complimentary acquisitions. We are eager to further broaden Eckler's product offering with even more add-on acquisitions in the auto enthusiast restoration and accessories space."

In June of 2008, Century Park bought Performance Products Euro. Headquartered in Van Nuys, California, the company is the largest source of restoration parts and accessories for Porsche and Mercedes vehicles. Ed Mills, Eckler's President remarked, "The acquisition of Performance Products allows Eckler's to expand beyond the Chevrolet/General Motors market into European makes with a highly regarded company and a solid, highly motivated staff."

*Continued on Page 2...*

Automotive Aftermarket  
Deal Volume by Quarter



Source: Capital IQ and Capstone Partners



# Automotive Aftermarket

## Quarterly Dashboard

### Selected Second Quarter Deal Briefs (continued)



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**Midas Acquires Franchisor of 181 Speedee Auto Service Centers.** Midas paid \$20.8 million or approximately ten times EBITDA for Speedee Corp. Speedee is mostly an oil change and fluid replacement (50% of retail sales) business which posted \$78 million in sales in 2007. The acquisition complements Midas' existing business which is about 40% brake service and only 6% oil change and fluid replacement.

Alan D. Feldman, Midas' chairman and chief executive officer said, "this combination is extremely exciting because it will enable both Midas and Speedee shops to benefit from the strengths of the two brands' respective service offerings to provide the three most frequent vehicle maintenance services -- oil changes, brakes and tires. We intend to operate the Midas and Speedee franchise systems separately and will continue stand-alone outlets for each brand. However, we will take advantage of the growth potential that will result from adding Midas-branded services to Speedee shops, where practical. We also intend to test adding Speedee-branded quick-lube services to Midas shops in areas where there are not shop overlaps."

**Dee Zee Inc. Acquired in Management Buyout.** In June, the senior managers of Dee Zee Inc. purchased the company in a corporate divestiture from Lancaster Colony Corporation. Dee Zee is a manufacturer of original equipment and aftermarket accessories for pickup trucks and generated approximately \$145 million in sales for the fiscal year ended June 30, 2007.

The ownership team of Dee Zee, which consists of Ron Shivers (President), Bill McDermott (CFO), and Mike Moyer (COO), seems to have acquired the business on favorable terms, paying just \$27.5 million in cash. The transaction is expected to result in a pretax loss to Lancaster of approximately \$20 to \$22 million. The acquisition completes the divestiture of Lancaster's automotive business and will allow Lancaster to focus on its Specialty Foods and Glassware and Candles businesses.

**Belron US Acquires Assets of Diamond Glass.** Belron US, the nation's leading vehicle glass repair and replacement company, acquired substantially all of the assets of Diamond Glass in a transaction that valued the business at \$50 million plus the assumption of various liabilities. The deal is subject to approval by the U.S. Bankruptcy Court and any required regulatory approvals. Diamond filed for chapter 11 bankruptcy protection on April 1 and was put up for sale under a S363 process. Tom Feeney, President and CEO of Belron US said, "Diamond Glass has a long and distinguished history. Our team felt the acquisition could contribute to providing better service to our customers and would enable us to add experienced associates to our growing business."

Second Quarter Automotive Aftermarket M&A Transactions

Announced / Closed	Target / Acquirer	Target Description	Implied EV (\$mm)	EV/LTM	
				Revenue	EBITDA
6/30/2008 Pending	<b>Amtel-Vredestein N.V. (LSE:AMV)</b> Sibur-Russian Tires LLC	Tire manufacturing and distribution business.	-	-	-
6/30/2008 Pending	<b>Haldex AB, Disc Brake Friction Material Business</b> Fras-Le North America Inc.	Manufactures pads for disc brakes and drum-brake linings.	-	-	-
6/30/2008 6/30/2008	<b>Pollard Beaumont Ltd.</b> Universal Components UK Ltd.	Distributor of motor vehicle parts.	-	-	-
6/27/2008 Pending	<b>Avana Technologies Sdn Bhd.</b> Caely Holdings Bhd (KLSE:CAELY)	Provides automotive entertainment accessories.	2.4	-	-
6/26/2008 6/26/2008	<b>AB Company</b> ZhongDing Group	Offers rubber auto shock absorber parts.	4.5	0.2x	-
6/25/2008 Pending	<b>Ofra Otomotiv Lastikleri Tevzi A.S.</b> Continental AG (DB:CON)	Distributes batteries, filters, wheels, wipers, and automotive accessories.	-	-	-
6/24/2008 6/24/2008	<b>Sara Holding</b> Alliance Industrie	Distributor of automotive parts.	-	-	-
6/23/2008 Pending	<b>Hunan Auto Axle Factory</b> Changsha Zoomlion Heavy Industry Science & Technology Development Co. Ltd. (SZSE:000157)	Vehicle parts and accessories manufacturer.	27.1	-	-
6/20/2008 6/25/2008	<b>Diamond Glass Companies, Substantially All Assets</b> Belron US, Inc.	Provides automotive glass replacement and repair services.	50.0	-	-
6/19/2008 6/19/2008	<b>Stant Corporation</b> H.I.G. Capital	Manufactures and distributes a range of automotive parts and tools.	-	-	-
6/19/2008 6/19/2008	<b>Lash International, Inc. (dba Performance Products)</b> Eckler Industries, Inc.	Catalog and Internet distributor of aftermarket automotive products.	-	-	-
6/18/2008 Pending	<b>Tikka Spikes and OOO Tikka</b> Continental AG (DB:CON)	Manufactures studs for winter tires.	-	-	-
6/16/2008 Pending	<b>Hayes Lemmerz Belgie B.V.B.A</b> BBS Kraftfahrzeugtechnik AG (DB:BKS3)	Offers steel and aluminum wheels.	-	-	-
6/16/2008 Pending	<b>Hayes Lemmerz International-Georgia, Inc., Gainesville Factory</b> Punch Property International NV	Manufacturers aluminum wheels.	-	-	-
6/12/2008 6/12/2008	<b>Multipart Holdings Ltd</b> Undisclosed	Supply parts for trucks, vans and buses.	44.2	-	-
6/12/2008 Pending	<b>MAB Auto Body Parts and Paint Centre (Pty) Ltd.</b> BASF Coatings Services Pty Ltd.	Engages in the distribution of car refinishing products.	-	-	-
6/10/2008 6/10/2008	<b>Dee Zee, Inc.</b> Management Team	Manufactures and sells truck accessories.	30.1	-	-
6/10/2008 Pending	<b>Scan Auto Reserveledele A/S</b> Dybbroe Incar A/S	Wholesaler of automotive spare parts.	-	-	-
6/9/2008 6/9/2008	<b>Clemex Mexico S.A. de C.V.</b> MAHLE Clevite Canada ULC	Produces engine bearings and bushings for the automotive aftermarket.	-	-	-
6/5/2008 Pending	<b>Levis Mitsubishi</b> Undisclosed	Offers new and pre-owned cars, as well as vehicle parts and accessories.	-	-	-
6/4/2008 6/4/2008	<b>B&amp;B Radiator</b> Radiator Express Warehouse	Engages in automotive cooling parts business.	-	-	-
6/2/2008 Pending	<b>Remy Automotive Europe BVBA, Three Plants in the UK</b> CARDONE Industries, Inc.	Remanufactures ignition distributors, brake calipers, steering racks and pumps.	-	-	-
5/30/2008 5/30/2008	<b>Carstar, Inc.</b> Champlain Capital Management, LLC	Network of auto body repair shops in North America.	-	-	-
5/27/2008 Pending	<b>Silverstone Corp. Bhd</b> Lion Forest Industries Berhad (KLSE:LIONFIB)	Manufactures tires, retreading tires, rubber compounds, motorcycle parts and accessories.	7.6	-	-
5/27/2008 5/27/2008	<b>Halifax Industrial, Ltd.</b> Undisclosed	Manufacturer of fans and car electronics.	-	-	-
5/26/2008 Pending	<b>Klasse Auto</b> Cosmos PLC Co., Ltd. (KOSE:A053170)	Manufactures motor vehicle parts.	23.0	-	-
5/26/2008 5/26/2008	<b>Brefa AG</b> Daimler AG (XTRA:DCX)	Provides repair and related services for commercial vehicles.	-	-	-
5/22/2008 5/22/2008	<b>Berco Produktion AB</b> STRICT Equity AB	Manufactures and sells covers for trucks, trailers, semi-trailers, and swap bodies.	-	-	-
5/22/2008 5/22/2008	<b>Jones Automotive Engines</b> S&S Engine Remanufacturing	Offers engine rebuilding services; manufactures motor vehicle parts and accessories; and retails automotive parts.	-	-	-

EV = Enterprise Value

LTM = Last 12 Months

Source: Capital IQ

Second Quarter Automotive Aftermarket M&A Transactions (continued)

Announced / Closed	Target / Acquirer	Target Description	Implied EV (\$mm)	EV/LTM	
				Revenue	EBITDA
5/21/2008 Pending	<b>Valeo SA, Truck Engine Cooling Unit</b> EQT Partners AB	Offers vehicle components and modules for engine and transmission cooling functions.	-	-	-
5/20/2008	<b>Autovest Ltd.</b> Imbewu Capital Partners (Pty) Ltd.	Manufactures stainless steel automotive accessories, fibre glass canopies, and spray on bin linings.	-	-	-
5/16/2008 6/10/2008	<b>NSN Holdings Limited</b> Innovation Group plc (LSE:TIG)	Network of car garages that offers repair and maintenance services.	13.4	-	-
5/16/2008 5/16/2008	<b>Päivän Huolto Oy And Päivän Auton Oy</b> Auto-Suni Oy	Operates as a reseller and authorized repair shop of BMW, Mitsubishi, Skoda and Subaru car brands.	-	-	-
5/15/2008 5/15/2008	<b>Dorman Products, Inc., Catalytic Converter Business</b> Eastern Manufacturing Inc.	Manufactures integrated exhaust manifold and catalytic converters for aftermarket.	-	-	-
5/14/2008 5/14/2008	<b>The El Camino Store</b> Eckler Industries, Inc.	Retailer of restoration parts and accessories for Chevrolet El Camino & GMC.	-	-	-
5/13/2008 5/13/2008	<b>Société Auto Provence</b> Max Auto Provence SARL	Provides automotive repair services.	-	-	-
5/9/2008 6/2/2008	<b>Beck/Arnley Worldparts Corp.</b> Uni-Select	Distributor of automotive replacement parts.	-	-	-
5/8/2008 6/27/2008	<b>Coventry Group Ltd, Northern Territory Automotive Business</b> Repco Corp Ltd.	Distributor of automotive parts and equipment.	-	-	-
5/5/2008 5/6/2008	<b>Dongil Rubber Belt Vietnam Co., Ltd.</b> Dongil Rubber Belt Co., Ltd. (KOSE:A004840)	Manufactures rubber belts.	6.4	-	-
5/5/2008 5/5/2008	<b>D &amp; D Tire, Inc.</b> Purcell Tire & Rubber Company, Inc.	Operates as full service tire dealer.	-	-	-
5/2/2008 6/27/2008	<b>Coventry Group Ltd., Queensland Automotive Business</b> Burson Automotive Pty. Ltd.	Distributor of automobile parts and equipment.	-	-	-
5/2/2008 Pending	<b>Trimcar, Inc.</b> Prestige Cars International, Inc.	Manufactures leather and vinyl car seat covers.	-	-	-
5/1/2008 5/1/2008	<b>Sem Fire And Rescue Pty. Ltd.</b> Turnberry Funds Management Pty. Ltd.	Manufactures and services special purpose vehicles and equipment.	11.2	-	-
5/1/2008 5/1/2008	<b>RBW Industries Inc.</b> AL-KO Kober Corp.	Manufactures and supplies RV components.	-	-	-
4/30/2008 5/16/2008	<b>Officine Meccaniche GNL SpA</b> Trelleborg Sealing Solutions	Manufactures spare parts for agricultural and industrial crawler tractors.	-	-	-
4/28/2008 4/28/2008	<b>Keller Truck Parts, Inc.</b> Fleetpride, Inc.	Manufactures and markets heavy-duty truck replacement parts and components.	-	-	-
4/24/2008 5/16/2008	<b>Automotive Importing Manufacturing, Inc., Alternator And Starter Automotive Business</b> Motorcar Parts of America Inc. (NasdaqGM:MPAA)	Supplies new and remanufactured alternators and starters used in the automotive industry.	4.6	-	-
4/23/2008 4/23/2008	<b>LVD Lastvagnsdelar AB</b> AxIndustries AB	Offers heavy vehicle components.	-	-	-
4/23/2008 4/23/2008	<b>Toora Poland SA, Substantially All Assets</b> CONTECH LLC	Manufactures aluminum car components and alloy wheels.	-	-	-
4/17/2008 4/17/2008	<b>Northbridge Motorsport Limited</b> Pankl Racing Systems AG (WBAG:PARS)	Offers testing bolts, studs, and nuts for motorsport engine and chassis systems.	3.7	1.2x	-
4/14/2008 Pending	<b>Hawk Corp., Quarter Master Industries, Inc. and Tex Racing Enterprises, Inc.</b> Leonard C. Long	Offers clutch, transmission and driveline systems for the performance racing market.	-	-	-
4/11/2008 6/13/2008	<b>Compania Hulera Tornel S.A de C.V.</b> JK Tyre & Industries Ltd. (BSE:530007)	Manufactures and markets tires.	67.6	0.3x	-
4/9/2008 Pending	<b>MacLean Crewson, LLC</b> Tramec Corporation	Manufactures automatic and manual brake adjusters for the heavy-duty tractors, trailers, and automobile aftermarket.	-	-	-
4/8/2008 6/2/2008	<b>Exbus Asset Management Nyrt.</b> Bankar Zrt	Manufactures and distributes road vehicles, vehicle bodies, and vehicle components and parts.	9.7	-	-
4/8/2008 Pending	<b>Kolbenco (Pty) Ltd.</b> MICROmega Holdings Ltd. (JSE:MMG)	Manufactures automotive pistons and gudgeon pins.	1.1	-	-
4/5/2008 4/5/2008	<b>Ingram Capital Fleet</b> Ingram Barge Company	Operates as general automotive repair shops.	-	-	-
4/1/2008 4/1/2008	<b>SpeeDee Corp.</b> Midas Inc. (NYSE:MDS)	Provides auto maintenance and repair services.	20.8	-	-
4/1/2008 4/1/2008	<b>Preco Electronics, Inc., Alarms and Light Business</b> Electronic Controls Company	Manufactures back-up alarms and amber warning lights for the commercial vehicle safety market.	-	-	-

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	Total Ent. Value	LTM		EV/LTM		P/LTM Diluted EPS <sup>2</sup>	
					Revenue	EBITDA	Revenue	EBITDA <sup>1</sup>		
<b>Manufacturers</b>										
ATC Technology Corporation.	\$25.37	72.5%	\$ 525.7	\$ 527.2	\$ 534.2	\$ 77.0	1.0x	6.8x	14.9x	
DEI Holdings, Inc.	1.72	21.1%	44.6	290.2	383.8	52.1	0.8x	5.6x	NM	
Dorman Products, Inc.	12.79	85.3%	209.7	227.1	338.1	38.8	0.7x	5.7x	12.1x	
Proliance International, Inc.	0.95	29.2%	16.0	81.7	378.5	16.3	0.2x	5.0x	NM	
Standard Motor Products Inc.	8.17	74.8%	160.7	417.1	798.5	46.2	0.5x	9.0x	9.9x	
Tenneco Inc.	13.86	38.0%	614.7	1,975.7	6,332.0	466.0	0.3x	4.2x	NM	
							<b>Average</b>	<b>0.6x</b>	<b>6.1x</b>	<b>12.3x</b>
							<b>Median</b>	<b>0.6x</b>	<b>5.6x</b>	<b>12.1x</b>
<b>Wholesalers/Distributors</b>										
Genuine Parts Co.	\$40.91	79.2%	\$ 6,580.6	\$ 7,012.0	\$ 11,037.8	\$ 932.3	0.6x	7.5x	13.1x	
LKQ Corp.	20.44	81.7%	2,679.5	3,222.8	1,634.5	222.0	2.0x	14.5x	27.0x	
							<b>Average</b>	<b>1.3x</b>	<b>11.0x</b>	<b>20.1x</b>
							<b>Median</b>	<b>1.3x</b>	<b>11.0x</b>	<b>20.1x</b>
<b>Retailers</b>										
Advance Auto Parts Inc.	\$42.46	99.0%	\$ 3,940.0	\$ 4,624.2	\$ 4,902.4	\$ 572.5	0.9x	8.1x	17.2x	
AutoZone Inc.	134.34	94.3%	8,259.1	10,109.5	6,314.9	1,253.2	1.6x	8.1x	13.8x	
O'Reilly Automotive Inc.	26.97	70.6%	3,528.7	3,486.8	2,616.7	398.4	1.3x	8.8x	15.7x	
Pep Boys - Manny, Moe & Jack	7.92	44.1%	392.6	648.9	2,096.5	82.8	0.3x	7.8x	NM	
U.S. Auto Parts Network, Inc.	3.30	33.2%	109.2	77.2	157.2	8.3	0.0x	NM	NM	
							<b>Average</b>	<b>0.8x</b>	<b>8.2x</b>	<b>15.6x</b>
							<b>Median</b>	<b>0.9x</b>	<b>8.1x</b>	<b>15.7x</b>
<b>Service Providers</b>										
Midas Inc.	\$14.69	70.2%	\$ 196.0	\$ 322.0	\$ 187.4	\$ 42.5	1.7x	7.6x	17.3x	
Monro Muffler Brake Inc.	19.35	74.0%	408.3	513.3	452.1	57.7	1.1x	8.9x	18.5x	
							<b>Average</b>	<b>1.4x</b>	<b>8.2x</b>	<b>17.9x</b>
							<b>Median</b>	<b>1.4x</b>	<b>8.2x</b>	<b>17.9x</b>

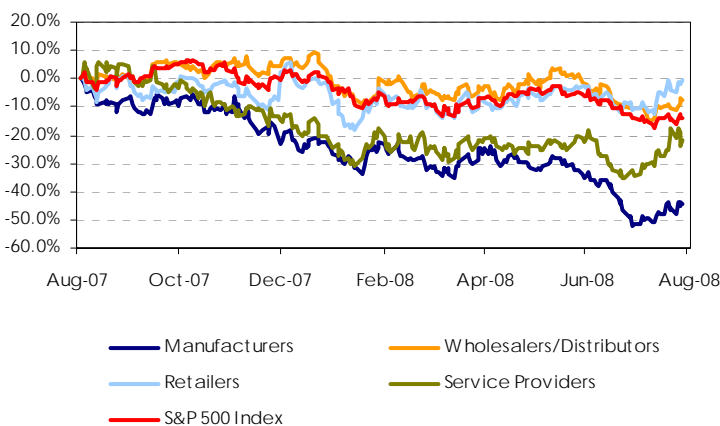
1) Excludes EV/EBITDA multiples greater than 25.0x

2) Excludes P/E multiples greater than 50.0x

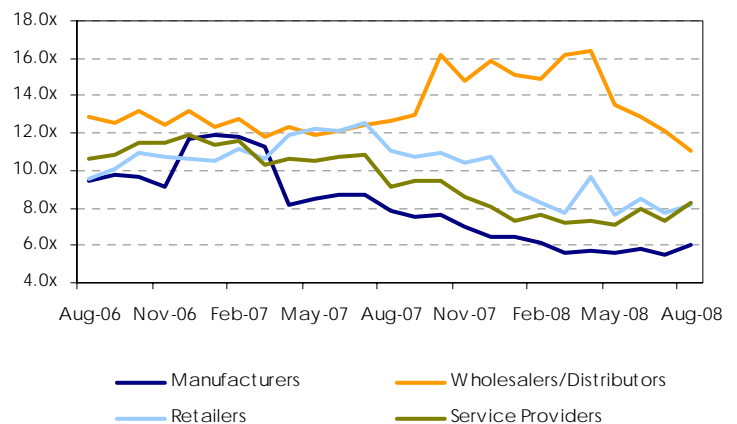
NM = Not meaningful

Source: Capital IQ as of August 5, 2008

Automotive Aftermarket Indexed Public Stock Performance by Segment



Automotive Aftermarket Enterprise Value-to-EBITDA Multiples by Segment





# Automotive Aftermarket

## Representative Transactions

### WORLD CLASS 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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