

Selected Public Company Capitalization and Operating Figures (\$ in millions, except per share data)									
Company	Price as of 1/31/07	Enterprise Value				Last Twelve Months (LTM)			Net Income
		Market Cap	Debt	Cash	Enterprise Value (1)	LTM Date	Revenue	EBITDA	
Manufacturers									
Tenneco Automotive Inc.	\$23.25	\$1,062.4	\$1,403.0	\$116.0	\$2,421.6	9/30/06	\$4,540.0	\$381.0	\$48.1
Aftermarket Technology Corp.	21.56	476.6	38.5	6.8	524.8	9/30/06	507.8	63.1	29.2
Directed Electronics, Inc.	10.00	247.7	306.0	16.3	537.4	9/30/06	363.0	31.0	2.9
Standard Motor Products, Inc.	15.82	293.5	256.2	15.0	537.2	9/30/06	815.1	46.7	5.9
Dorman Products, Inc.	10.00	177.1	31.0	5.0	210.5	9/30/06	292.4	35.5	15.0
Milemarker International Inc.	1.60	15.9	5.4	0.2	21.2	9/30/06	21.9	3.1	1.4
Wholesalers & Distributors									
Genuine Parts Company	\$47.52	\$8,097.5	\$500.0	\$214.4	\$8,522.3	9/30/06	\$10,324.7	\$823.3	\$464.9
LKQ Corporation	21.42	1,141.6	109.2	6.4	1,340.2	9/30/06	728.8	83.3	42.5
Keystone Automotive Industries, Inc.	35.85	585.2	0.2	6.0	585.8	9/30/06	672.8	49.9	24.2
The Coast Distribution System, Inc.	8.60	38.3	21.3	0.8	60.3	9/30/06	181.9	8.9	3.8
Retailers									
Autozone, Inc.	\$125.63	\$8,879.1	\$1,858.9	\$73.4	\$10,839.3	11/18/06	\$6,003.3	\$1,171.8	\$578.8
Advance Auto Parts, Inc.	37.95	3,989.1	450.9	14.0	4,491.1	10/7/06	4,564.1	543.6	233.9
O'Reilly Automotive, Inc.	34.91	3,958.6	100.9	40.8	4,117.2	9/30/06	2,239.9	342.5	190.0
The Pep Boys - Manny, Moe & Jack	15.31	832.8	646.1	22.5	1,456.4	10/28/06	2,233.7	82.1	(34.9)
CSK Auto Corporation	16.57	726.0	395.1	19.3	1,113.9	10/30/05	1,594.5	121.9	31.3

Selected Public Company Multiples and Operating Statistics									
Company	Enterprise Value /					P / E Ratio	Margins		
	Revenue	EBIT	EBITDA	Free Cash Flow (2)	Net Income		Gross Margins	EBITDA Margins	Net Margins
Manufacturers									
Tenneco Automotive Inc.	0.5x	12.0x	6.4x	11.7x	50.4x	22.1	15.0%	8.4%	1.1%
Aftermarket Technology Corp.	1.0x	10.6x	8.3x	10.2x	18.0x	16.3	21.3%	12.4%	5.8%
Directed Electronics, Inc.	1.5x	21.6x	17.4x	18.6x	NM	86.1	30.1%	8.5%	0.8%
Standard Motor Products, Inc.	0.7x	17.7x	11.5x	14.8x	91.4x	49.9	24.4%	5.7%	0.7%
Dorman Products, Inc.	0.7x	7.3x	5.9x	7.0x	14.0x	11.8	35.2%	12.1%	5.1%
Milemarker International Inc.	1.0x	7.8x	6.9x	7.6x	14.8x	11.1	42.3%	13.9%	6.5%
Mean	0.9x	12.8x	9.4x	11.7x	37.7x	32.9x	28.0%	10.2%	3.3%
Median	0.8x	11.3x	7.6x	11.0x	18.0x	19.2x	27.2%	10.3%	3.1%
Wholesalers & Distributors									
Genuine Parts Company	0.8x	11.3x	10.4x	12.1x	18.3x	17.4	31.5%	8.0%	4.5%
LKQ Corporation	1.8x	18.6x	16.1x	30.6x	31.6x	26.9	45.8%	11.4%	5.8%
Keystone Automotive Industries, Inc.	0.9x	14.7x	11.7x	16.8x	24.2x	24.2	44.7%	7.4%	3.6%
The Coast Distribution System, Inc.	0.3x	7.4x	6.7x	7.8x	16.0x	10.1	19.2%	4.9%	2.1%
Mean	1.0x	13.0x	11.2x	16.8x	22.5x	19.7x	35.3%	7.9%	4.0%
Median	0.8x	13.0x	11.0x	14.5x	21.3x	20.8x	38.1%	7.7%	4.0%
Retailers									
Autozone, Inc.	1.8x	10.5x	9.2x	11.9x	18.7x	15.3	49.4%	19.5%	9.6%
Advance Auto Parts, Inc.	1.0x	11.0x	8.3x	15.7x	19.2x	17.1	47.6%	11.9%	5.1%
O'Reilly Automotive, Inc.	1.8x	14.6x	12.0x	36.7x	21.7x	20.8	44.2%	15.3%	8.5%
The Pep Boys - Manny, Moe & Jack	0.7x	NM	17.7x	42.6x	NM	NM	24.0%	3.7%	NM
CSK Auto Corporation	0.7x	13.0x	9.1x	12.4x	35.6x	23.2	45.4%	7.6%	2.0%
Mean	1.2x	12.3x	11.3x	23.9x	23.8x	19.1x	42.1%	11.6%	6.3%
Median	1.0x	12.0x	9.2x	15.7x	20.4x	18.9x	45.4%	11.9%	6.8%

(1) Enterprise Value equals market cap, plus debt, minus cash
(2) Free Cash Flow equals EBITDA less capital expenditure
"NM" is not meaningful

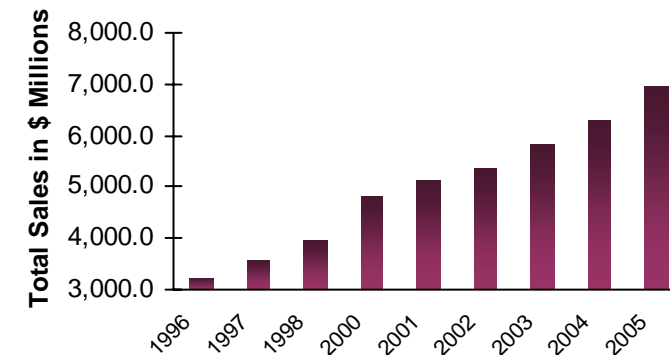
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the aftermarket analyst

A PUBLICATION FOCUSED ON MERGERS, ACQUISITIONS AND CORPORATE FINANCE IN THE AUTOMOTIVE AFTERMARKET INDUSTRY

Segment Spotlight: Specialty Accessories and Appearance Products

Specialty Accessories and Appearance Products comprise \$7 billion of the \$175 billion auto aftermarket. While this may seem like a drop in the bucket, the segment's growth rate has lead the industry. From 1996 to 2005 the segment grew from \$3.24 billion to \$6.94 billion (a CAGR of 7.9%). For comparison, the auto aftermarket grew at half this rate (3.9%) over the same period.



Accessories and Appearance Products include interior trim, restyling products, specialty waxes and chemicals, graphics and decals, sunroofs and ground effects. Many of these products have been around for decades and yet continue to display signs that they are still in a significant growth phase. How is it that there is such demand for these products, and from an M&A perspective demand for these companies, despite their longevity in the market and their relative lack of consumable items such as oil and tires that drive much of the overall industry growth?

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Top Six M&A Deal Pitfalls For Sellers

Quality merger and acquisition deals go bad all the time, even when the parties involved are acting in good faith. When this occurs, money and valuable time are lost and relationships can be tarnished forever. In order to minimize the chances of this happening, it is important to be aware of the most common and dangerous pitfalls sellers face during the process of selling their companies. These include the following:

- Loss of control.** Without a disciplined approach and careful deal management, a sale process can quickly spiral out of control. In order to prevent this, it is crucial not to allow the prospective acquirer to drive the sale process and schedule. Also, exclusivity should not be granted early on and lines of communication need to be limited. Unilateral offeror situations can be particularly dangerous because the seller has limited leverage, and exploitation and abuse by the buyer is common.
- Bad timing.** This can take several forms, including not assigning drop dead dates to various steps of the process and trying to "outsmart" the market. Many sellers wait for "next year's growth," only to have it never materialize — leaving them in a poor position to sell the company for a good price.
- Weak documentation.** It takes significant commitment and effort to get all of the documentation that will be carefully reviewed by prospective buyers. Companies must have, among other things, accurate and detailed "normalized" financial statements, projections, intellectual property records, and customer data. Furthermore, the company's offering memorandum must strike a delicate balance between providing enough information to allow a prospective buyer to analyze the

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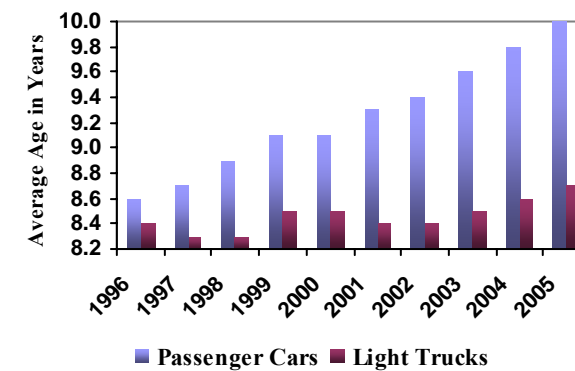
RECENTLY ANNOUNCED AUTOMOTIVE AFTERMARKET TRANSACTIONS

Announce Date	Acquirer/Investor	Target	Target Description	Firm Value (\$mil.)	Rev. FV / Rev.	EBITDA FV / EBITDA
1/30/2007	Caterpillar, Inc.	Franklin Power Products, Inc. and International Fuel Systems, subsidiaries of Remy International.	Franklin Power remanufactures light and medium-duty truck diesel engines and engine components. International Fuel is a provider of remanufactured diesel engine components such as high pressure fuel pumps, fuel injectors and turbochargers	\$150.0	—	—
1/29/2007	Harco Manufacturing Group LLC	Delphi Corp's Brake Hose business	manufacturer of brake hose fittings and hoses	9.8	—	—
1/29/2007	Atlas Copco	Rodcraft	supplier of pneumatic tools and workshop equipment to the automotive aftermarket industry	—	29.7	—
1/19/2007	Randall-Reilly Publishing	Kona Communications	publisher of <i>Truck Parts & Service</i> and <i>Successful Dealer Magazines</i>	—	—	—
1/17/2007	B&M Companies	Hurst Shifter (from Mr. Gasket)	supplier of performance shifters and accessories	—	—	—
1/10/2007	EMTA Holdings	Dyson Properties	manufacturer of synthetic motor lubricants under the Synergyn Racing name.	2.1	—	—
1/4/2007	Sunair Products	Euromotoren (a.k.a. EMN Air)	sole distributor for Sunair compressor remanufacturing parts, tools, chemicals and components to the compressor remanufacturing aftermarket in Europe	—	—	—
12/27/2006	Nidec Corporation	Valeo S.A.'s Motors & Actuators business unit	manufactures automotive motors and actuators	185	—	—
12/22/2006	Kelso & Co., GS Capital Partners, ValueAct Capital and Parthenon Capital	ADESA Inc.	provider of wholesale vehicle auctions and related vehicle redistribution services for the automotive industry in North America.	3,700.	3.5x	13.5x
12/22/2006	Actuant Corporation	Maxima Technologies	electronics company specializing in custom-engineered and standard vehicle instrumentation, controls, components, and systems for low-to-medium volume applications	91	1.4x	—
12/22/2006	Saw Mill Capital Partners	Hawk Corp.'s Precision Components Group	supplies friction materials for brakes, clutches and transmissions	90.1	—	—
12/20/2006	Lumiere International Corp.	Air Temp de Mexico	designs and manufactures heat exchangers, radiators, condensers, evaporators, heaters and coolers	—	—	—
12/15/2006	Friend Skoler & Co.	Accessories Marketing Inc.	makers of Slime tire sealant and tire care products	—	—	—
12/11/2006	CCMP Capital Asia	Repcor Corp.	largest retailer of auto parts in Australia and New Zealand	264	0.4x	5.0x
12/11/2006	Uni-Select Inc.	Plastique Royale	distributor of automotive paint and body shop products	—	—	—
12/5/2006	Bridgestone Americas Holding, Inc.	Bandag, Inc.	sells retreading equipment and materials and owns tire retail and service operations	1,050.	1.1x	10.5x
12/4/2006	Mahle	Dana Corp.'s "non-core" engine hard parts business	product lines include piston rings, engine bearings, cylinder liners and camshafts.	157	—	—
12/1/2006	Truck-Lite Company	United Components Inc.'s Flexible Lamps business	UK manufacturer of lighting systems for commercial vehicles	39.	—	—

(Segment Spotlight, Continued from page 1)

The answer lies in a combination of:

- **The increased average age of vehicles:** The aging of vehicles currently in use has been a significant contributor to the growth in demand for aftermarket products. As the average vehicle age has grown from 8.6 years in 1996 to 10.0 years in 2005, the Specialty Accessories and Appearance market has benefited from the additional 1.4 years in which to sell its products.



- **The proliferation of light trucks and SUVs:** Although light trucks were once used only as work vehicles, their use by all drivers has grown dramatically. In 1986, light trucks accounted for 29% of all vehicles sold in the United States. However, by 2005 this figure increased to 53.2% of all vehicles sold.
- **The light truck and SUV owners' penchant for specialty products:** Aftermarket sales of light truck products grew from 5.0 billion in 1996 to 11.7 billion in 2005. Consequently, analysts expect the market for specialty appearance and accessories products to thrive with the increased supply of light trucks.

(Pitfalls, Continued from page 1)

- opportunity thoroughly, but not include all of the company's proprietary information.
- (4) **Unlimited access.** Prospective buyers should not be granted more access to company management and personnel than is reasonable at any given time in the sale process. For example, multiple management presentations and site visits should not be allowed prior to the receipt of a Letter of Intent. Also, buyers should not be allowed to speak with management without the presence of a financial advisor, and all management meetings must be "scripted" appropriately.
 - (5) **Not maximizing pricing/value.** There are many factors that can prevent shareholders from receiving maximum value for their ownership interest. These include creating too many economic and non-economic conditions to a transaction; not obtaining value for non-compete agreements, employment contracts, and board seats; and not soliciting enough buyers or the "right" buyers. Confidentiality concerns often lead sellers to limit their marketing efforts, even though there is usually less downside to public disclosure of a sale process than most buyers believe. What is most certain is that limiting the field of prospective buyers substantially reduces the price a seller may ultimately realize. Creating a competitive environment, instilling a sense of urgency, and achieving certainty of execution are all critical components here.
 - (6) **Going it alone.** Due to the numerous items that must be negotiated during the sale process and their respective complexity, company owners rarely accomplish a favorable sale alone. All too often, deals fall apart or close at less than advantageous terms because unaided sellers have difficulty carefully working through all of the "pressure points" that can be traded off with buyers to maximize realized value. Investment bankers can help mitigate these concerns and provide a buffer between the buyer and seller, keeping potentially damaging emotionally driven missteps and unfiltered communications out of the process.

About Capstone

Capstone Financial Group is an investment banking firm assisting owners of middle market companies with their financial needs - including mergers and acquisitions, recapitalizations, private placements, divestitures, and other financial advisory services. Capstone is backed by a highly experienced and knowledgeable team of financial professionals with firsthand knowledge of starting, operating, growing, and selling middle market companies. Visit us online at www.capfg.com.