

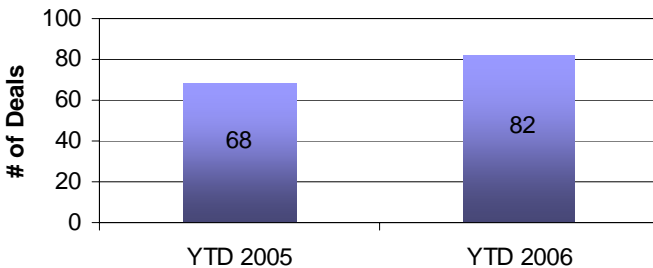
the aftermarket analyst

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

Strategic Buyers Lead the Way in Record Third Quarter for U.S M&A Market

Led by a resurgence of activity by strategic buyers, merger and acquisition volume in the auto aftermarket reached record levels in the third quarter of 2006 with transactions. This represents a 69.6 percent increase year-over-year from 2005's 23 transactions. The 82 transactions in the year-to-date period ended September 30, 2006 is a 20.6 percent increase over the record setting 68 transactions in 2005.

**Aftermarket M&A Deal Volume
Year-to-Date 2005 and 2006**



This growth can be attributed to the significant increase in participation by strategic buyers, who appear to have spent enough time on the sidelines as their private equity counterparts grew their share of the auto aftermarket. Strategic buyers accounted for 58 transactions this year, up from 43 over the same period last year. While financial buyers have maintained

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Capstone President to Speak on Aftermarket Capital at SEMA Show

Capstone's President and Founder, Dan Smith, will speak at the SEMA Show on November 2, 2006. His timely seminar is entitled "The Future Landscape of the Automotive Aftermarket: *How Private Capital Will Transform the Industry.*"

Dan will discuss several macroeconomic trends that have recently emerged and how they will affect the future landscape of the aftermarket industry. His in-depth examination of these trends will particularly relate to the private capital markets and will include:

- How diverse types of domestic and foreign capital have gained a foothold in the industry
- How current economic trends are influencing company valuations
- Why traditional distribution methods are under attack
- How to prepare your company for the imminent transformation

Dan's presentation this year will delve deeply into "real life" examples of recently completed deals in the industry. He will also share insights he has had with literally dozens of private equity investors who are currently looking to invest in the industry.

The event will take place on Thursday, November 2 from 10:15 AM to 11:45 PM in room N252 of the Las Vegas Convention Center.

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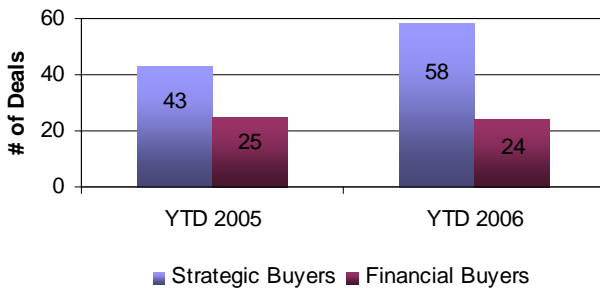
RECENTLY ANNOUNCED AUTOMOTIVE AFTERMARKET TRANSACTIONS

Announce Date	Acquirer/Investor(s)	Target	Target Description	Firm Value (\$mil.)	FV / Rev.	FV / EBITDA
10/16/2006	Oshkosh Truck Corp.	JLG Industries, Inc.	Manufacturer of aerial work platforms	\$3,000.0	2,300.0 1.30X	—
10/13/2006	Noble International Ltd.	Pullman Industries, Inc.	Manufacturer of beams, sills, bumpers and door components	120.0	—	—
10/13/2006	Baxter Auto Parts	Nor-Cal Distributors	Independent auto parts distributor in Northern California	—	—	—
10/12/2006	Dewitt Publishing	OAS Inc's <i>Collision News</i>	Magazine covering the collision repair industry in FL, GA, TN, and AL	—	—	—
10/10/2006	Hella KGaA Hueck & Co.	Tolerance A/S	Developer of software for internet based diagnosis and repair services	—	—	—
10/7/2006	Transpar Industries	ADP Transmission Parts	Supplies automatic transmission parts and standard clutches for cars and light trucks	—	—	—
9/28/2006	Allomak Limited	Autolac Newcastle Pty Ltd.	Australian distributor of automotive paints	—	—	—
9/25/2006	American Racing Equipment, Inc.	Weld Wheel Industries, Inc.	Manufacturer of alloy wheels	25.0	—	—
9/22/2006	Greif Inc.	Delta Petroleum Co.	Independent blender of petroleum based lubricants	—	—	—
9/22/2006	AADCO Automotive	Dominion Auto Recycling Inc.	Provider of recycled auto parts and rebuilder vehicles	—	—	—
9/22/2006	Media Propulsion	Advantage Data Center	Data repository for performance distributors	—	—	—
9/21/2006	Weatherly Group LLC	Defiance Metal Products Co.	Supplier of engineered components and assemblies to the commercial vehicle market	—	—	—
9/19/2006	SPI Petroleum	Canyon State Oil Co.	Supplier of chemicals	—	—	—
9/18/2006	Hospitality Properties Trust	Travel Centers of America	Largest owner of U.S. highway travel centers	1,900.0	826.1 2.30X	—
9/15/2006	Regitar-USA	Ludwig Industries	Manufacturer of automotive regulators	—	—	—
9/14/2006	Pendergast Partners	Arrington Manufacturing	Manufacturer of engines for NASCAR teams	—	—	—
9/13/2006	NASCAR	CASCAR	Canadian Stock Car Racing Series	—	—	—
9/1/2006	Asahi-Tec	Metaldyne	A leading designer and producer of engine, driveline, and chassis products	1,200.0	—	—
8/31/2006	Champion Parts	Tomco	Supplier of remanufactured carburetors	11.0	—	—
8/29/2006	Wrenchhead, Inc.	Icarz, Inc.	Provider of web-based point of sale and warehouse solutions for the auto aftermarket	—	—	—
8/28/2006	Graham Capital Partners	Transaxle, LLC	Remanufacturer of transmissions, differentials, and hydraulic pumps for medium and heavy duty trucks	—	—	—
8/23/2006	BLP Products	Roan Manufacturing	Designs and manufactures racing products	—	—	—
8/23/2006	PROformance Technologies	Aftermarket Technology Corp.'s PROformance Powertrain Products	Remanufacturer of engines	—	—	—
8/18/2006	Proquest Business Solutions	Dealer Computer Services Inc.'s CPD business	Electronic Parts Catalog	—	—	—
8/18/2006	Baxter Auto Parts	Davis Auto Parts	Salem, Oregon based auto parts retailer	—	—	—
8/18/2006	Schumacher Electric Corp.	Midtronics, Inc.'s professional battery charger product line	Develop and market innovative technologies for battery management	—	—	—
8/9/2006	Crane Co.	Noble Composites	Manufacturer of premium, high glass finished composite panels used by auto industry	72.0	45.0 1.60X	—

(Continued from page 1)

virtually the same pace, with 24 transactions compared to 25 transactions last year, strategic buyers, buoyed by low interest rates, strong corporate profits, and relatively easy access to capital, are taking advantage of the abundant opportunities in today's auto aftermarket.

**Aftermarket M&A Deals
(Strategic Buyers vs. Financial Buyers)**



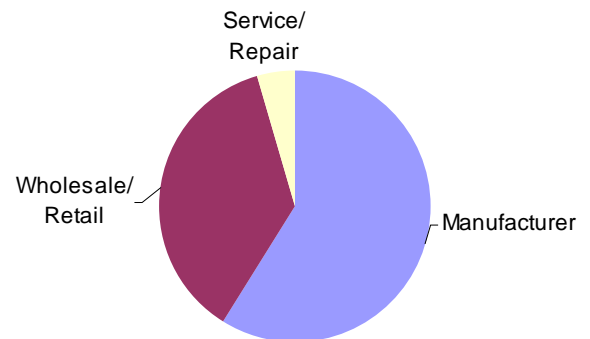
In terms of the types of businesses being acquired, increases were seen in the wholesale/retail and service/repair segments. Manufacturers of auto aftermarket parts maintained their deal volume when compared to 2005.

While manufacturers continued to account for the largest portion of M&A transactions, they now represent less than half of all aftermarket transactions. In the year-to-date period, 40 manufacturing targets were acquired, equaling last year's total for the same period. Manufacturing accounted for 48.8 percent of total aftermarket transactions, which was a significant reduction from last year's 58.8 percent.

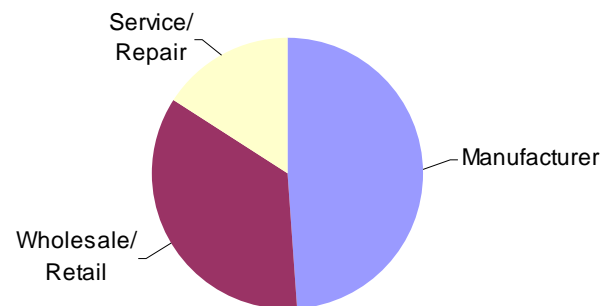
While wholesale and retail deals comprised 35.4 percent of total aftermarket transactions, down slightly from 36.8 percent in the prior year, the number of deals actually increased from 25 in 2005 to 29 in 2006.

The service and repair segment had the largest gains. In fact, this sector more than quadrupled in size in the year-to-date period accounting for 15.9 percent of the market in 2006, compared to 4.4 percent in 2005.

YTD 2005 Aftermarket Deals by Seller Type



YTD 2006 Aftermarket Deals by Seller Type



Schedule a Meeting with Capstone

The Capstone Auto Aftermarket Team is scheduled to be at Industry Week in Las Vegas from October 29 through November 3. To schedule a meeting, please contact Dan Smith at dsmith@capfg.com

About Capstone

Capstone Financial Group is an investment banking firm which assists 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.

Selected Public Company Capitalization and Operating Figures
 (\$ in millions, except per share data)

Company	Enterprise Value					Last Twelve Months (LTM)			
	Price as of 10/19/06	Market Cap	Debt	Cash	Enterprise Value (1)	LTM Date	Revenue	EBITDA	Net Income
Manufacturers									
Tenneco Automotive Inc.	\$22.30	\$1,019.0	\$1,369.0	\$123.0	\$2,349.0	6/30/06	\$4,514.0	\$380.0	\$51.4
Aftermarket Technology Corp.	19.47	430.4	49.2	5.6	482.7	6/30/06	496.4	68.0	33.4
Directed Electronics, Inc.	14.69	363.9	165.8	15.6	514.0	6/30/06	348.8	31.6	1.8
Standard Motor Products, Inc.	12.99	241.0	291.6	11.2	522.8	6/30/06	835.8	47.6	6.9
Dorman Products, Inc.	10.25	181.5	34.2	4.9	216.6	6/30/06	291.3	35.4	15.1
Milemarker International Inc.	2.45	24.4	5.0	0.3	29.1	6/30/06	23.5	4.2	2.3
Wholesalers & Distributors									
Genuine Parts Company	\$44.62	\$7,643.8	\$500.0	\$189.1	\$8,091.7	6/30/06	\$10,180.5	\$803.5	\$454.5
LKQ Corporation	24.00	1,275.0	107.5	4.2	1,497.6	6/30/06	664.7	75.9	38.6
Keystone Automotive Industries, Inc.	42.24	686.3	0.2	5.4	694.0	6/30/06	651.2	48.1	23.6
The Coast Distribution System, Inc.	9.50	42.0	26.9	0.7	70.9	6/30/06	183.0	10.1	4.7
Retailers									
Autozone, Inc.	\$112.37	\$8,348.5	\$1,825.1	\$84.0	\$10,276.8	5/6/06	\$5,789.9	\$1,102.9	\$567.7
Advance Auto Parts, Inc.	35.66	3,748.4	468.7	13.1	4,275.1	7/15/06	4,484.3	541.4	237.2
O'Reilly Automotive, Inc.	34.26	3,884.9	100.9	55.2	4,035.2	6/30/06	2,185.6	341.3	181.7
The Pep Boys - Manny, Moe & Jack	14.39	780.7	526.9	55.3	1,255.0	7/29/06	2,236.4	71.9	(35.1)
CSK Auto Corporation	15.64	685.2	395.1	19.3	1,071.4	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	11.6x	6.2x	11.1x	45.7x	19.8	15.3%	8.4%	1.1%
Aftermarket Technology Corp.	1.0x	8.9x	7.1x	8.4x	14.4x	12.9	22.3%	13.7%	6.7%
Directed Electronics, Inc.	1.5x	19.9x	16.3x	17.3x	NM	NM	30.3%	9.1%	0.5%
Standard Motor Products, Inc.	0.6x	16.9x	11.0x	14.2x	76.2x	35.1	23.8%	5.7%	0.8%
Dorman Products, Inc.	0.7x	7.4x	6.1x	7.6x	14.3x	12.0	35.2%	12.1%	5.2%
Milemarker International Inc.	1.2x	7.5x	6.9x	7.4x	12.6x	10.6	43.1%	17.9%	9.8%
Mean	0.9x	12.0x	8.9x	11.0x	32.7x	18.1x	28.3%	11.1%	4.0%
Median	0.9x	10.3x	7.0x	9.7x	14.4x	12.9x	27.0%	10.6%	3.2%
Wholesalers & Distributors									
Genuine Parts Company	0.8x	11.0x	10.1x	11.6x	17.8x	16.8	31.4%	7.9%	4.5%
LKQ Corporation	2.3x	22.8x	19.7x	37.8x	38.8x	33.0	46.2%	11.4%	5.8%
Keystone Automotive Industries, Inc.	1.1x	18.1x	14.4x	19.1x	29.4x	29.0	44.8%	7.4%	3.6%
The Coast Distribution System, Inc.	0.4x	7.6x	7.0x	8.0x	14.9x	8.8	19.4%	5.5%	2.6%
Mean	1.1x	14.9x	12.8x	19.1x	25.2x	21.9x	35.5%	8.1%	4.1%
Median	0.9x	14.5x	12.3x	15.3x	23.6x	22.9x	38.1%	7.6%	4.0%
Retailers									
Autozone, Inc.	1.8x	10.6x	9.3x	12.5x	18.1x	14.7	48.8%	19.0%	9.8%
Advance Auto Parts, Inc.	1.0x	10.4x	7.9x	13.7x	18.0x	15.8	47.4%	12.1%	5.3%
O'Reilly Automotive, Inc.	1.8x	14.7x	11.8x	33.9x	22.2x	21.4	44.0%	15.6%	8.3%
The Pep Boys - Manny, Moe & Jack	0.6x	NM	17.5x	105.5x	NM	NM	23.2%	3.2%	NM
CSK Auto Corporation	0.7x	12.5x	8.8x	11.9x	34.2x	21.9	45.4%	7.6%	2.0%
Mean	1.2x	12.1x	11.1x	35.5x	23.1x	18.4x	41.7%	11.5%	6.3%
Median	1.0x	11.6x	9.3x	13.7x	20.2x	18.6x	45.4%	12.1%	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