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U.S. M&A And Private Equity Markets Post Record Highs In 2004

In 2004, the U.S. merger and acquisition market posted its best year since the high-flying days of the late 1990's.

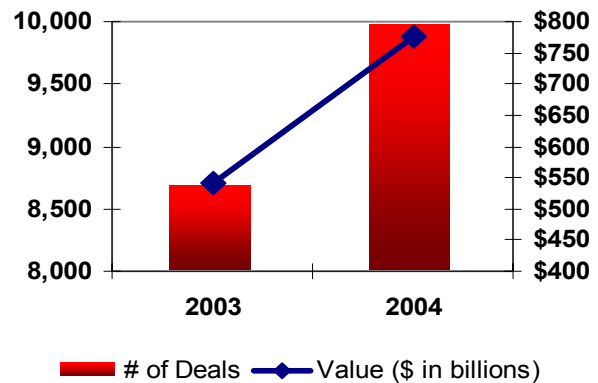
In total, there were 9,964 M&A transactions in the U.S., representing a 14.8 percent increase over 2003. These transactions accounted for \$777 billion in transaction value, a 43.7 percent increase over 2003.

In addition, buyouts of U.S. companies by private equity groups reached an all-time high in 2004. At the close of the year, financial buyers had invested \$91.1 billion in 1,387 U.S. companies. These figures easily surpassed 2003's record-setting year of \$51 billion spent on 1,339 acquisitions by these same buyers.

Also, multiples paid by financial buyers last year represented the largest year-over-year increase on record. According to FactSet Mergerstat, the mean enterprise value-to-EBITDA multiple in 2004 was 9.22x, 18.3 percent higher than 2003's mean of 7.79x. Median multiple growth was equally strong, increasing from 6.66x in 2003 to 7.80x in 2004.

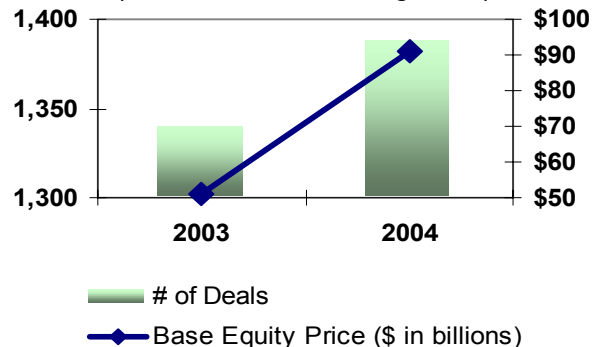
U.S. M&A Announcements for 2003 and 2004

(Source: FactSet Mergerstat)



Private Equity Buyers of U.S. Companies

(Source: FactSet Mergerstat)



The availability of financing, a surge in high profile deals, intense competition, cash-rich corporate balance sheets, and more confident executives were some of the most significant factors that lead to increased dealmaking in 2004.

2005 is widely expected to be another strong year

for M&A as these trends continue to hold. Also, according to Bank of America's Business Capital survey, 23 percent of CFOs expect to participate in a merger or acquisition this year, a significant increase from last year's figure of 14 percent and the highest in the survey's seven year history.



RECENTLY ANNOUNCED AUTOMOTIVE AFTERMARKET TRANSACTIONS

Announce	Acquirer/Investor	Target	Target Description
1/19/2005	Custom Accessories	Chic Accessories	Manufacturer of air freshener products
1/19/2005	East Penn Manufacturing Co.	Douglas Battery Manufacturing Co.'s Automotive Battery Division	Manufactures automotive batteries
1/14/2005	Independent Auto Parts of America	Parts Plus	Distributes auto parts
1/13/2005	Magna International Inc.	Decoma International Inc.	Manufacturer of automotive exterior components and systems
1/5/2005	Illinois Tool Works Inc.	Permatex, Inc.	Manufacturer and distributor of premium branded specialty-chemical products
1/5/2005	Morgenthaler Partners	Phillips & Temro Industries	Manufactures emissions control products for both engine and motor vehicle OEM and aftermarket segments
1/5/2005	Thayer Capital Partners	Qualitor Inc.	Manufacturer of auto aftermarket parts
1/4/2005	Illinois Tool Works Inc.	Wynn Oil automotive specialty chemicals business unit of Parker Hannifin Corporation	Develops and manufactures chemical car care products and maintenance equipment for the automotive industry
12/28/2004	Accuride Corp.	Transportation Technologies Industries Inc.	Manufactures truck components
12/24/2004	Magna International Inc	Tesma International Inc.	Manufactures automotive engine and transmission parts
12/10/2004	JH Partners LLC	Bell Automotive Products Inc.	Maker of automotive air fresheners, drink holders, cargo racks, cell phone accessories and license plate frames among other items
12/1/2004	The Carlyle Group	Rhythm Corp.	Manufacturer of auto parts
12/1/2004	PartSource	Diamond Auto Parts	Retailer of auto parts and accessories
11/30/2004	American Capital Strategies Ltd.	BBB Industries Inc.	Remanufacturer of starters and alternators for the automotive aftermarket
11/23/2004	Quantum Fuel Systems Technologies Worldwide Inc.	Starcraft Corporation	Supplier OEM and auto aftermarket parts and accessories
11/16/2004	Keystone Automotive Industries, Inc.	Chambers Parts Distributors	Distributor of collision auto parts
11/15/2004	Kevin Kalkhoven and Gerald Forsythe	Cosworth Racing, Inc.	Manufacturer of automotive racing engines and components
11/11/2004	Octagon Holdings	Manik Motors	Manufacturer of off-road accessories
11/8/2004	The Henkel Group	Orbseal, LLC	Manufacturer of automotive adhesives and sealants
11/8/2004	Truck Accessory Group (J.B. Poindexter & Co.)	Pace Edwards Company	Manufacturer and marketer of retractable tonneau covers for use on pick-up trucks

Aftermarket Stocks Post Mixed Results in 2004

Manufacturers led the way for stock price gains in the auto aftermarket in 2004, followed by their distributor counterparts. Overall, retail stocks were the worst performers in the aftermarket last year.

Aftermarket manufacturer stocks performed very well in 2004. Led by Tenneco Automotive's 158 percent price gain, aftermarket manufacturer stocks increased more than 51 percent on average. This increase compares favorably with the S&P 500 which rose only 8.9 percent for the year.

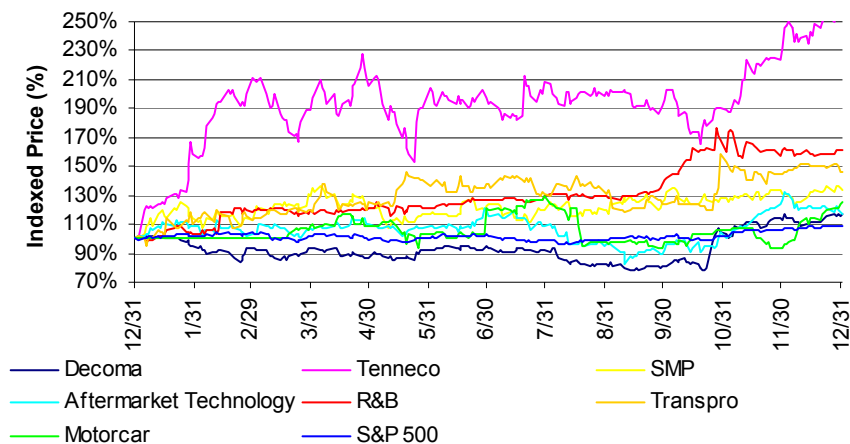
Wholesalers and distributors were the next best performing aftermarket stocks, posting average gains of 16.7 percent in 2004.

Genuine Parts and The Coast Distribution System led the way for aftermarket wholesalers and distributors, increasing 36.9 percent and 35.9 percent in 2004, respectively.

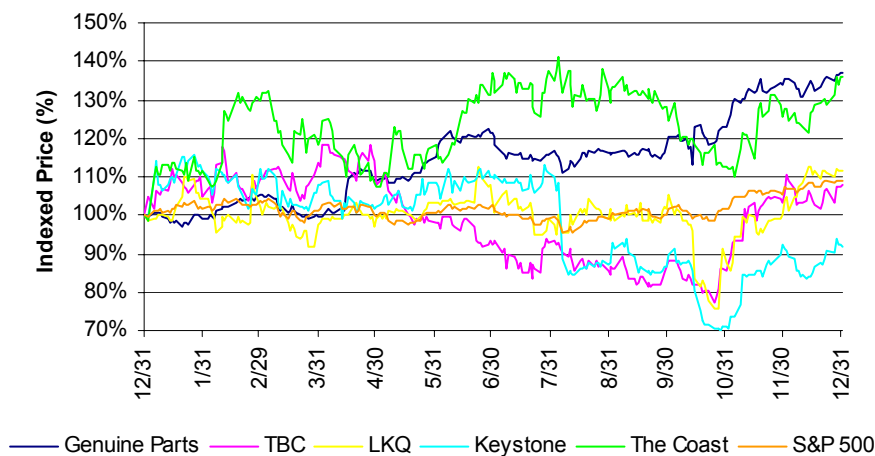
Share prices for the stocks of aftermarket retailers stumbled in 2004. In fact, aftermarket retail stocks significantly underperformed the S&P 500 by posting an average decrease of approximately 1 percent for the year.

Pep Boys and CSK Automotive were among the worst performing aftermarket stocks in 2004, posting losses of 24.3 percent and 10.8 percent, respectively.

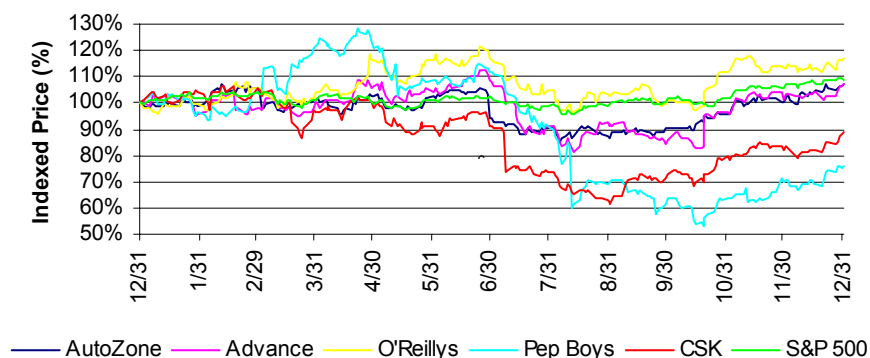
Manufacturer Stock Price Performance in 2004



Distributor Stock Price Performance in 2004



Retailer Stock Price Performance in 2004



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

Company	Enterprise Value					Last Twelve Months (LTM)			
	Price as of 1/18/05	Market Cap	Debt	Cash	Enterprise Value (1)	LTM Date	Revenue	EBITDA	Net Income
Manufacturers									
Tenneco Automotive Inc.	16.12	683.8	1,423.0	203.0	1,985.8	10/31/04	4,079.0	369.0	33.2
Decoma International Inc.	11.14	930.3	497.9	73.3	1,332.4	9/30/04	2,636.8	237.8	70.1
Standard Motor Products, Inc.	13.40	265.1	226.1	16.9	475.7	9/30/04	805.8	45.1	9.9
Aftermarket Technology Corp.	15.23	318.5	112.5	8.8	432.1	9/30/04	394.6	53.0	22.2
R&B, Inc.	25.19	224.0	35.2	8.3	268.9	9/25/04	240.0	34.1	16.9
Transpro, Inc.	6.00	42.6	44.0	0.5	87.1	9/30/04	256.2	11.7	1.4
Motorcar Parts of America, Inc.	9.45	77.2	1.5	10.7	72.9	6/30/04	156.7	12.5	5.9
Wholesalers & Distributors									
Genuine Parts Company	\$43.34	\$7,568.5	\$1,419.9	\$284.7	\$8,848.7	9/30/04	\$8,929.2	\$684.2	\$386.0
TBC Corporation	26.43	588.5	300.6	3.2	918.5	9/30/04	1,737.5	94.2	36.3
LKQ Corporation	18.07	365.9	36.3	3.1	431.7	9/30/04	395.2	38.5	18.5
Keystone Automotive Industries, Inc.	22.60	352.9	1.5	4.2	360.4	10/1/04	534.9	33.2	17.3
The Coast Distribution System, Inc.	7.36	34.0	22.5	1.2	57.7	9/30/04	169.9	9.7	4.6
Retailers									
Autozone, Inc.	\$91.25	\$7,268.9	\$1,824.8	\$63.9	\$9,429.3	11/20/04	\$5,641.2	\$1,108.5	\$567.0
Advance Auto Parts, Inc.	44.57	3,277.2	386.8	27.5	3,781.6	10/9/04	3,742.8	447.4	195.7
O'Reilly Automotive, Inc.	46.64	2,574.9	101.1	83.6	2,674.9	9/30/04	1,660.7	231.4	116.9
The Pep Boys - Manny, Moe & Jack	16.37	900.2	477.4	35.2	1,360.6	10/30/04	2,248.4	154.1	34.8
CSK Auto Corporation	15.92	716.3	501.3	54.7	1,171.6	10/31/04	1,579.9	159.4	54.7

Selected Public Company Multiples and Operating Statistics

Company	Enterprise Value /			Margins	
	Revenue	EBIT	EBITDA	Free Cash	Freen
	6.764	4.05(1)-0.0	7.7	6.8	6.8
	7.2	4.3	4.3	0.9	0.9
	8.5	8.8	2.4	4.8	2.7