

the aftermarket analyst

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

2005 Year in Review

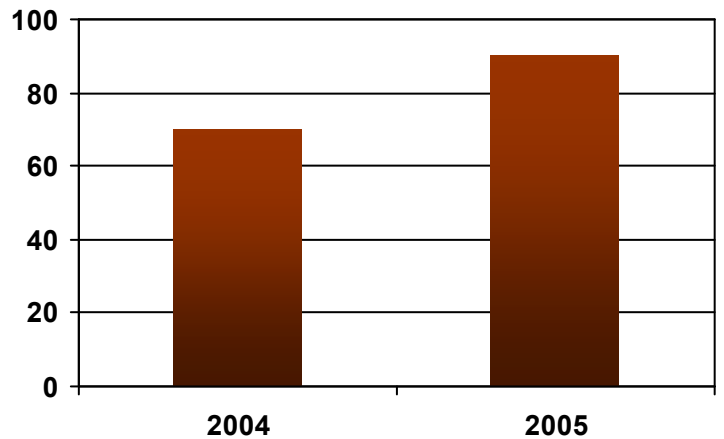
2005 proved to be another big year for merger and acquisition activity in the auto aftermarket. In the best year for global and U.S. M&A activity since 2000, aftermarket deal making reached an all-time high as financial buyers became more active and consolidation in the retail and distribution side of the industry accelerated.

Total aftermarket transaction volume posted another large year-over-year increase last year. In the twelve months ended December 31, 2005, 91 deals were announced, representing an increase of 28.6 percent over 2004.

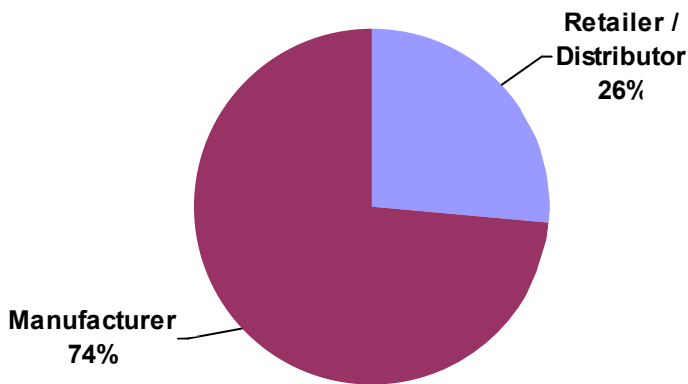
The retail and distribution side of the industry was a hot bed of activity last year, as transaction volume more than doubled. Overall, retail and distribution

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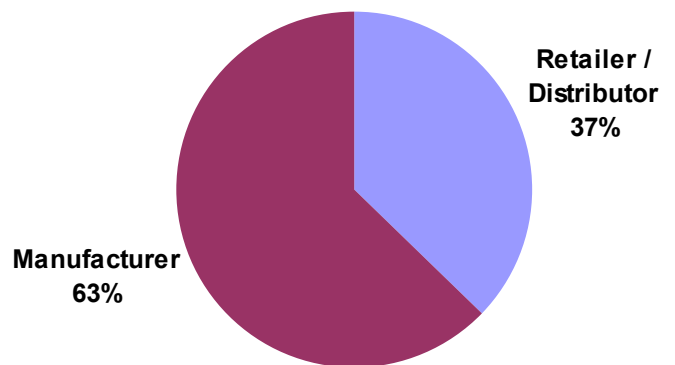
Aftermarket Transaction Volume by Year



2004 Aftermarket Deals by Type of Target



2005 Aftermarket Deals by Type of Target



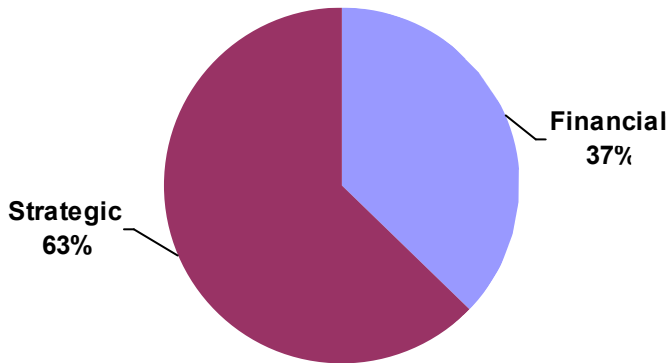
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RECENTLY ANNOUNCED AUTOMOTIVE AFTERMARKET TRANSACTIONS

Announce Date	Acquirer/Investor(s)	Target	Target Description	Firm Value (\$mil.)	Rev. FV / Rev.	EBITDA FV / EBITDA
1/23/2006	Hampton Products International Corporation	Keeper Corporation	Manufacturer of automotive cargo management products	—	—	—
1/18/2006	Industrial Enterprises of America, Inc.	Pitt Penn	Supplier of automotive and chemical products	—	—	—
1/18/2006	Kirtland Capital Partners	Crysteel Manufacturing Inc.	Manufacturer of light and medium dump and platform bodies and hoists	—	—	—
1/9/2006	Monomoy Capital Partners LLC	Barjan Products LLC	Largest distributor of nonfood general merchandise, such as automotive accessories, toys, sunglasses, books and videos to truck stops and travel centers in the U.S.	20.0	140.0 0.14x	—
1/6/2006	Investcorp SA	Autodistribution SA	France's largest independent distributor of auto, truck and industrial parts	729.0	—	—
1/4/2006	Harbour Group	Late Great Chevrolet Association, Inc.	Sells a complete line of interior and exterior parts and accessories directly to retail customers through several specialty catalogs and a monthly membership publication, Chevy Times	—	—	—
1/3/2006	LKQ Corporation	Fit-Rite Body Parts	Aftermarket collision automotive replacement parts business	37.0	39.6 0.9x	—
12/30/2005	General Cable Corporation	Beru S.A. de C.V.	Automotive aftermarket assembly and distribution operation	—	—	—
12/21/2005	Capital Partners	Dayton Parts, LLC	Manufacturer and distributor of aftermarket heavy duty truck parts	—	—	—
12/16/2005	Bear Stearns Merchant Banking	Transamerican Auto Parts Company Inc.	Retailer and distributor of specialty aftermarket parts and accessories for light trucks, Jeeps, sport utility vehicles and other four-wheel drive vehicles	100.0	—	—
12/6/2005	LKQ Corporation	A-Reliable Auto Parts	Operates from three locations, two that sell primarily into the retail market and one that sells into the professional repair market	—	26.9	—
12/1/2005	Greenbriar Equity Group LLC	Western Peterbilt, Inc. and Western Truck Parts and Equipment Company LLC	Operator of heavy-duty truck dealerships in the Pacific Northwest	—	—	—
12/1/2005	CSK Auto Corp.	Murray's Inc.	Operates 109 auto parts retail stores throughout the Midwest	170.0	235.0 0.72x	—
11/29/2005	Uni-Select USA, Inc.	The Kunz Oil Company	Operates a distribution center and three branch locations for automotive replacement parts in Minneapolis, Minnesota and adjoining suburbs	—	10.0	—
11/18/2005	Falconhead Capital LLC	ESCORT Inc.	Manufacturer of mobile electronics including radar and laser detectors	—	—	—
11/17/2005	MSD Ignition	Racepak	Manufacturer of data acquisition systems for the performance and motorsports industry	—	—	—
11/17/2005	LKQ Corporation	Advanced Auto Recycling, Inc.	Operates a recycled OEM automotive replacement parts facility	—	—	—
11/15/2005	Kohlberg Kravis Roberts & Co. LP	FL Selenia SPA	Manufacturer of automotive lubricants	—	—	—
11/15/2005	Keystone Automotive Operations, Inc.	Reliable Automotive	Distributes over 300 automotive product lines nationally to over 15,000 customers via ten warehouse facilities and seven sales offices	—	—	—
11/14/2005	Painless Performance Products	Fastrak Performance Products	Manufacturer of fuel cells and performance shifters	—	—	—
11/2/2005	Plaze Inc., a portfolio company of AEA Investors	Claire-Sprayway Inc.	Makes branded and private-label cleaning agents, disinfectants, air fresheners, adhesives, lubricants, insecticides and automotive detail products	—	—	—
11/1/2005	Parker Hannifin	TTxe	Supplier of hard parts for the automotive transmission aftermarket including Roadmaster (TM) products	—	—	—

2004 Aftermarket Deals by Type of Acquirer

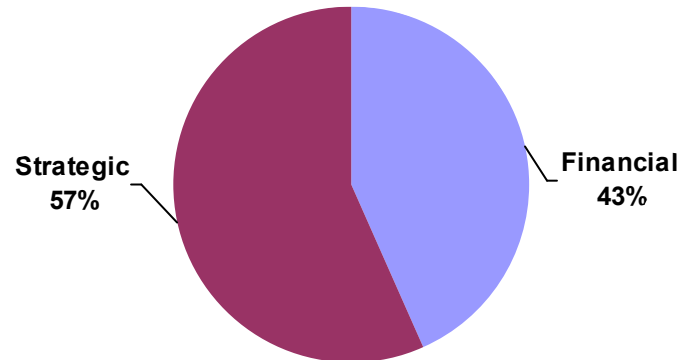


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transactions increased from 26 percent of total volume in 2004 to 37 percent in 2005.

The number of deals led by financial sponsors (private equity groups) also increased significantly in 2005. Year-over-year, financial sponsors invested in 50 percent more transactions in 2005 than in 2004. This trend reflects increased recognition of the aftermarket's investment merits and the continued

2005 Aftermarket Deals by Type of Acquirer



commitment of these groups to the industry.

Outlook for 2006

Most experts agree that 2006 is likely to be a record year for M&A activity, easily surpassing the \$3.3 trillion in global volume achieved in 2000.

Cash-rich corporate balance sheets and institutional investors, along with low interest rates and lax lending terms, have helped to create one of the most favorable M&A markets in recent memory.

Save the Date For This Year's Aftermarket Financial Symposium

AAIA announced it will host the 2nd annual Aftermarket Financial Symposium, Sept. 26-27, 2006 in Chicago, Ill. The symposium, modeled after the highly successful Aftermarket eForum™, will be geared toward CEOs, CFOs, financial service providers, investment analysts, CPA firms and others with interests in the automotive aftermarket.

The Aftermarket Financial Symposium: Leveraging for Growth will provide top speakers and presenters who will address key financial issues and trends in mergers and acquisitions, accounting, fringe benefits, technology, risk management, investments, strategic planning, research and bank financing.

"While every one of the presentations by top financial and investment executives will provide valuable take-aways for all attendees, the breakout sessions drill down into specific areas of concentration," said Kathleen Schmatz, AAIA president and CEO. "Interest has been extremely strong from both the financial community and the aftermarket in the symposium," said Kathleen Schmatz, AAIA president & CEO.

The symposium will be held at the Hyatt Regency O'Hare in Chicago on Tuesday, Sept. 26 and Wednesday, Sept. 27. For more information, contact Susan Medick at 301-654-6664 or e-mail susan.medick@aftermarket.org.

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 1/25/06	Market Cap	Debt	Cash	Enterprise Value (1)	LTM Date	Revenue	EBITDA	Net Income
Manufacturers									
Tenneco Automotive Inc.	\$21.08	\$925.9	\$1,412.0	\$66.0	\$2,361.3	6/30/05	\$4,348.0	\$369.0	\$25.6
Standard Motor Products, Inc.	10.10	200.5	294.8	13.6	481.7	9/30/05	839.2	27.6	(4.8)
Aftermarket Technology Corp.	19.76	428.4	92.4	42.1	487.8	9/30/05	427.1	65.8	30.2
R&B, Inc.	10.67	191.3	34.7	3.2	225.4	9/24/05	268.7	34.4	16.7
Proliance International, Inc.	5.05	77.0	50.4	5.2	122.8	9/30/05	309.5	5.2	(7.1)
Wholesalers & Distributors									
Genuine Parts Company	\$42.99	\$7,459.7	\$500.9	\$339.5	\$7,746.5	9/30/05	\$9,626.7	\$747.9	\$424.8
LKQ Corporation	20.66	520.5	55.6	4.3	608.2	9/30/05	517.2	55.5	27.7
Keystone Automotive Industries, Inc.	34.92	558.9	0.4	6.6	567.3	9/30/05	573.2	32.5	15.9
The Coast Distribution System, Inc.	7.30	32.3	19.2	0.7	52.6	9/30/05	174.5	8.4	3.8
Retailers									
Autozone, Inc.	\$96.15	\$7,377.2	\$1,789.8	\$81.4	\$9,210.5	11/19/05	\$5,762.8	\$1,105.4	\$562.9
Advance Auto Parts, Inc.	42.82	4,632.2	470.5	112.7	5,071.8	10/8/05	4,150.1	510.8	229.1
O'Reilly Automotive, Inc.	31.85	3,569.7	100.9	51.6	3,619.1	9/30/05	1,958.0	279.7	146.8
The Pep Boys - Manny, Moe & Jack	15.38	833.1	534.0	36.5	1,335.3	10/29/05	2,241.8	80.0	(22.6)
CSK Auto Corporation	15.60	683.5	395.1	19.3	1,069.6	11/30/05	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	12.4x	6.4x	10.3x	92.2x	36.2	15.5%	8.5%	0.6%
Standard Motor Products, Inc.	0.6x	51.4x	17.4x	28.7x	NM	NM	20.9%	3.3%	NM
Aftermarket Technology Corp.	1.1x	9.5x	7.4x	9.8x	16.1x	14.2	24.1%	15.4%	7.1%
R&B, Inc.	0.8x	7.8x	6.6x	8.9x	13.5x	11.4	35.9%	12.8%	6.2%
Proliance International, Inc.	0.4x	NM	23.6x	NM	NM	NM	17.9%	1.7%	NM
Mean	0.7x	20.3x	12.3x	14.4x	40.6x	20.6x	22.8%	8.3%	4.6%
Median	0.6x	10.9x	7.4x	10.0x	16.1x	14.2x	20.9%	8.5%	6.2%
Wholesalers & Distributors									
Genuine Parts Company	0.8x	11.3x	10.4x	11.7x	18.2x	17.6	31.4%	7.8%	4.4%
LKQ Corporation	1.2x	12.8x	11.0x	15.2x	22.0x	18.8	45.4%	10.7%	5.3%
Keystone Automotive Industries, Inc.	1.0x	23.7x	17.4x	19.7x	35.6x	35.0	44.0%	5.7%	2.8%
The Coast Distribution System, Inc.	0.3x	6.9x	6.2x	6.7x	13.8x	8.5	18.5%	4.8%	2.2%
Mean	0.8x	13.7x	11.2x	13.3x	22.4x	20.0x	34.8%	7.3%	3.7%
Median	0.9x	12.1x	10.7x	13.4x	20.1x	18.2x	37.7%	6.7%	3.6%
Retailers									
Autozone, Inc.	1.6x	9.5x	8.3x	11.2x	16.4x	13.1	49.1%	19.2%	9.8%
Advance Auto Parts, Inc.	1.2x	12.7x	9.9x	17.0x	22.1x	20.2	47.2%	12.3%	5.5%
O'Reilly Automotive, Inc.	1.8x	16.1x	12.9x	43.7x	24.7x	24.3	43.3%	14.3%	7.5%
The Pep Boys - Manny, Moe & Jack	0.6x	NM	16.7x	NM	NM	NM	24.3%	3.6%	NM
CSK Auto Corporation	0.7x	12.5x	8.8x	11.9x	34.2x	21.8	45.4%	7.6%	2.0%
Mean	1.2x	12.7x	11.3x	20.9x	24.3x	19.9x	41.8%	11.4%	6.2%
Median	1.2x	12.6x	9.9x	14.4x	23.4x	21.0x	45.4%	12.3%	6.5%

(1) Enterprise Value equals market cap, plus debt, minus cash

(2) Free Cash Flow equals EBITDA less capital expenditure

"NM" is not meaningful