



LKQ Corporation was formed in 1998, and was incorporated in Delaware in 2003. On October 2, 2003, LKQ made an initial public offering of 14.0 million shares, priced at \$6.50 (split-adjusted). The lead manager for this transaction was Robert W. Baird. The company made a secondary offering of 6.9 million shares, priced at \$14.50 (split-adjusted) in September of 2005. The lead manager was again Robert W. Baird. These shares trade on the NASDAQ exchange under the ticker symbol LKQX.

CAPITAL STRUCTURE as of 3/31/11
 Total Debt \$559.3 mill. Due in 5 Yrs \$500.0 mill.
 LT Debt \$544.5 mill. LT Interest \$40.0 mill.
 (Total interest coverage: NMF) (27% of Cap'l)

Pension Assets-12/10 None. **Oblig.** None.

Pfd Stock None
Common Stock 145,886,934 shs. as of 4/22/11
MARKET CAP: \$3.7 billion (Mid Cap)

CURRENT POSITION (\$MILL.)	2009	2010	3/31/11
Cash Assets	108.9	95.7	64.5
Receivables	152.4	191.1	222.6
Inventory (LIFO)	385.7	492.7	514.9
Other	55.9	57.4	50.1
Current Assets	702.9	836.9	852.1
Accts Payable	51.3	76.4	75.4
Debt Due	10.1	52.9	14.8
Other	107.1	96.0	118.1
Current Liab.	168.5	225.3	208.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16
Sales	--	25.0%	23.5%
"Cash Flow"	--	29.5%	27.0%
Earnings	--	30.5%	27.0%
Dividends	--	--	NMF
Book Value	--	25.5%	22.5%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	491.9	484.4	490.7	470.3	1937.3
2009	510.9	486.3	494.8	555.9	2047.9
2010	603.5	584.7	607.6	674.1	2469.9
2011	786.6	730	725	758.4	3000
2012	830	800	800	845	3275

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.23	.23	.19	.10	.75
2009	.22	.20	.22	.25	.89
2010	.36	.27	.25	.28	1.16
2011	.41	.34	.33	.37	1.45
2012	.43	.40	.38	.44	1.65

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007					
2008					
2009					
2010					
2011					

NO CASH DIVIDENDS BEING PAID

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Sales per sh	--	4.07	4.21	5.16	5.32	7.41	8.40	13.85	14.42	16.98	20.40	22.00	Sales per sh	25.00
"Cash Flow" per sh	--	.23	.26	.33	.38	.53	.62	.97	1.14	1.42	1.75	1.95	"Cash Flow" per sh	2.50
Earnings per sh ^A	--	.14	.20	.23	.32	.40	.55	.75	.89	1.16	1.45	1.65	Earnings per sh ^A	2.15
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
Cap'l Spending per sh	--	.10	.12	.31	.26	.34	.29	.48	.39	.42	.60	.60	Cap'l Spending per sh	.65
Book Value per sh ^B	--	1.72	2.24	2.49	3.32	3.76	6.33	7.29	8.31	9.72	11.35	12.90	Book Value per sh ^B	15.15
Common Shs Outst'g ^C	--	70.58	77.91	82.26	102.83	106.60	134.15	139.92	142.00	145.47	147.00	149.00	Common Shs Outst'g ^C	155.00
Avg Ann'l P/E Ratio	--	--	21.1	19.6	20.5	26.9	26.2	23.5	18.1	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
Relative P/E Ratio	--	--	--	1.20	1.04	1.09	1.45	1.39	1.41	1.21	1.13	--	Relative P/E Ratio	1.35
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil
Sales (\$mill)	--	287.1	328.0	424.8	547.4	789.4	1126.8	1937.3	2047.9	2469.9	3000	3275	Sales (\$mill)	3875
Operating Margin	--	9.0%	9.6%	9.8%	11.2%	22.2%	32.4%	31.2%	36.4%	31.7%	34.5%	35.0%	Operating Margin	36.0%
Depreciation (\$mill)	--	5.0	5.4	6.9	8.6	11.8	17.1	30.7	34.1	38.0	43.0	47.0	Depreciation (\$mill)	55.0
Net Profit (\$mill)	--	11.0	14.6	20.6	30.9	44.4	65.9	105.5	127.5	169.1	215	245	Net Profit (\$mill)	335
Income Tax Rate	--	39.8%	39.7%	39.2%	40.2%	39.0%	39.1%	37.7%	37.9%	37.4%	40.0%	40.0%	Income Tax Rate	40.0%
Net Profit Margin	--	3.8%	4.4%	4.8%	5.6%	5.6%	5.8%	5.4%	6.2%	6.8%	7.2%	7.5%	Net Profit Margin	8.6%
Working Cap'l (\$mill)	--	50.7	74.2	77.8	103.7	122.4	389.5	441.7	534.4	611.6	670	760	Working Cap'l (\$mill)	1125
Long-Term Debt (\$mill)	--	27.8	2.4	49.9	46.0	92.0	641.5	620.9	593.0	548.1	500	450	Long-Term Debt (\$mill)	400
Shr. Equity (\$mill)	--	121.1	174.6	204.7	341.8	401.2	849.8	1020.5	1179.4	1414.2	1670	1925	Shr. Equity (\$mill)	2350
Return on Total Cap'l	--	8.4%	8.8%	8.4%	8.3%	9.5%	4.9%	7.2%	7.9%	9.2%	9.5%	9.5%	Return on Total Cap'l	11.5%
Return on Shr. Equity	--	9.1%	8.3%	10.1%	9.0%	11.1%	7.8%	10.3%	10.8%	12.0%	13.0%	12.5%	Return on Shr. Equity	14.5%
Retained to Com Eq	--	9.1%	8.3%	10.1%	9.0%	11.1%	7.8%	10.3%	10.8%	12.0%	13.0%	12.5%	Retained to Com Eq	14.5%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: LKQ Corporation provides replacement systems, components, and parts needed to repair cars and light trucks in the United States. LKQ buys wrecked cars at auction and distributes the reusable parts to collision repair shops. It also provides aftermarket parts-related services. Its customers include collision and mechanical repair shops, as well as insurance companies. It

operates over 100 facilities in the U.S. offering its customers replacement parts. Off. and dir. own 5.1% of common stock (4/11 proxy). Has about 12,000 employees. Vice Chairman and Co-CEO: Joseph M. Holsten. Pres. and Co-CEO: Robert Wagman. Inc.: DE. Address: 120 North LaSalle St., Ste. 3300, Chicago, IL 60602. Telephone: 312-621-1950. Internet: www.lkqcorp.com.

LKQ Corporation continues to post solid results. During the first quarter, the company reported a 30% year-over-year increase in sales, while share net rose 14%. Revenues for the period reached a quarterly record of nearly \$787 million, thanks to a 14% rise in organic growth and a 16% increase from recent acquisitions. Despite a continued difficult buying environment for salvage cars, LKQ was still able to widen operating margins during the period.

consists of 40 locations across the United States. In addition to distributing Akzo's paint in these markets, LKQ will also sell paint from other manufacturers in these newly added locations. We think this move will help expand the company's paint distribution business, as it attempts to become the leader for the auto collision repair industry's paint-related needs.

We are raising our 2011 top- and bottom-line estimates by \$150 million and a nickel a share, respectively, to \$3 billion and \$1.45. Management expects organic revenue growth for parts and services to be in the 6%-8% range for the year. We also look for solid gains at the aftermarket parts business. Recent acquisitions should also support the top-line advance. Increased use of alternative parts by consumers, insurers, and collision repair shops ought to widen margins and support solid profit gains this year.

We look for continued growth in 2012. The company should continue to benefit from market-share gains and improving leverage from recent acquisitions. All told, we anticipate 2012 top- and bottom-line growth of 9% and 14%, respectively.

LKQ has finalized the acquisition of AkzoNobel's North American paint distribution business. This enterprise

LKQ stock is ranked to track the broader market averages over the next six to 12 months. Although demand from most of its markets remains healthy, we are concerned about whether higher gas prices will dampen miles driven. Nevertheless, we still expect solid earnings gains during this time frame, thanks to good organic growth and recent acquisitions. Over the 3- to 5-year period, these shares offer above-average price appreciation potential at the current quotation.

Iason Dalavagas June 24, 2011

(A) Diluted earnings. Next earnings report due late July.
 (B) Includes intangibles. In 2010: \$1102.3 million, \$7.58 per share.

(C) In millions, adjusted for splits.

Company's Financial Strength	B+
Stock's Price Stability	50
Price Growth Persistence	85
Earnings Predictability	90

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