

LKQX has an approximate 0.32% weighting in the **S&P MidCap**

**Sector:** Consumer Discretionary  
**Sub-Industry:** Distributors

**Summary:** This company provides replacement systems, components, and parts to repair light vehicles, primarily cars and light trucks, in the United States.

**Quantitative Evaluations**

**S&P Quality Ranking : NR**

**S&P Fair Value Rank: 3-**



**Fair Value Calc: \$24.10** (Slightly Overvalued)

**S&P Investability Quotient Percentile**



LKQX scored higher than 92% of all companies for which an S&P Report is available.

**Volatility: Average**



**Technical Evaluation: NEUTRAL**

Since June, 2011, the technical indicators for LKQX have been NEUTRAL.

**Relative Strength Rank: Strong**



**Investment Strategy**

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

**Sales:** What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

**Net Margin:** As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

**% LT Debt to Capitalization:** A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

**% Return on Equity:** A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

**Key Growth Rates and Averages**

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	20.60	27.25	36.68	32.57
Net Income	31.45	35.43	40.95	47.11

**Ratio Analysis (Average)**

Net Margin	6.77	6.04	5.92	5.37
%LT Debt to Capitalization	27.20	32.60	31.73	23.27
% Return on Equity	12.89	11.71	11.53	10.84

**Revenues/Earnings Data** Fiscal year ending Dec. 31

Revenues (Million \$)	2011	2010	2009	2008	2007	2006
1Q	786.7	603.5	518.0	491.9	235.3	192.1
2Q	--	584.7	492.8	484.4	233.3	195.0
3Q	--	607.6	494.8	490.7	243.5	197.7
4Q	--	674.1	555.9	470.3	414.7	204.6
Year	--	2,470	2,048	1,937	1,127	789.4

Earnings per Share (\$)	2011	2010	2009	2008	2007	2006
1Q	0.39	0.36	0.23	0.22	0.14	0.11
2Q	--	0.26	0.20	0.22	0.13	0.11
3Q	--	0.25	0.21	0.18	0.13	0.10
4Q	--	0.28	0.25	0.09	0.16	0.09
Year	--	1.15	0.88	0.71	0.55	0.40

**Next earnings report expected: Late July**

Historical GAAP earnings are as reported.

**Key Stock Statistics**

Average Daily Volume	<b>0.552 mil.</b>	Beta	<b>NA</b>
Market Capitalization	<b>\$3.706 Bil.</b>	Trailing 12 Month EPS	<b>\$1.18</b>
Institutional Holdings (%)	<b>86</b>	12 Month P/E	<b>21.5</b>
Shareholders of Record	<b>40</b>	Current Yield (%)	<b>Nil</b>

Value of \$10,000 Invested five yrs Ago : **\$27,093**

**Please read the required disclosures and Reg. AC certification on the last page of this report.**

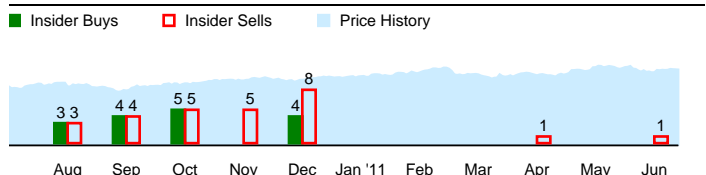
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**Wall Street Opinions/Average (Mean) Opinion: Buy/Hold**

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	7	47	7	7
Buy/Hold	2	13	2	2
Hold	5	33	5	5
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	1	7	1	1
<b>Total</b>	<b>15</b>	<b>100</b>	<b>15</b>	<b>15</b>

**Insider Moves**



**Dividend Data**

No Dividend Data Available

**Company Financials** Fiscal year ending Dec. 31

Per Share Data & Valuation Ratios (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	2.14	1.22	0.18	NM	1.46	1.55	1.26	1.58	NA	NA
Cash Flow	1.43	1.15	0.93	0.69	0.53	0.41	0.31	0.26	0.21	0.16
Earnings	1.15	0.88	0.71	0.55	0.40	0.32	0.23	0.20	0.14	0.06
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	NA	Nil	NA	NA
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA	NA
Prices:High	23.26	20.07	25.00	23.66	12.75	8.91	NA	4.63	NA	NA
Prices:Low	17.29	10.75	8.70	9.93	8.72	4.13	NA	3.25	NA	NA
P/E Ratio:High	20	23	35	43	32	28	NA	23	NA	NA
P/E Ratio:Low	15	12	12	18	22	13	NA	16	NA	NA

**Income Statement Analysis (Million \$)**

Revenue	2,470	2,048	1,937	1,127	789	547	425	328	287	250
Operating Income	340	272	237	140	89.3	61.5	41.8	31.5	25.9	21.0
Depreciation	41.4	38.1	30.7	17.1	12.1	8.57	6.87	5.45	5.01	7.90
Interest Expense	28.3	32.3	37.9	18.2	5.96	2.23	1.55	2.07	2.91	5.08
Pretax Income	270	205	164	108	72.8	51.7	33.9	24.2	18.3	8.17
Effective Tax Rate	NA	38%	39%	39%	39%	40%	39%	40%	40%	48%
Net Income	167	127	100	65.9	44.4	30.9	20.6	14.6	11.0	4.23

**Balance Sheet & Other Financial Data (Million \$)**

Cash	95.7	109	79.1	74.2	4.03	3.17	1.61	16.1	0.58	1.59
Current Assets	837	703	609	553	184	151	107	95.7	74.4	73.8
Total Assets	2,300	2,020	1,882	1,693	564	439	288	203	177	227
Current Liabilities	225	168	167	164	61.4	47.6	29.6	21.5	23.7	57.0
Long Term Debt	548	593	621	642	92.0	46.0	49.9	2.44	27.8	2.91
Common Equity	1,414	1,179	1,021	850	401	341	204	174	121	160
Total Capital	2,015	1,782	1,663	1,517	495	387	254	176	155	204
Capital Expenditures	61.4	55.9	66.9	38.4	36.2	26.2	25.7	9.10	6.85	3.40
Cash Flow	209	165	131	83.0	56.5	39.5	27.4	20.0	16.0	12.1
Current Ratio	3.7	4.2	3.6	3.4	3.0	3.2	3.6	4.4	3.1	1.3
% Long Term Debt of Capitalization	27.2	33.3	36.9	42.3	18.6	11.9	19.7	1.4	17.9	1.4
% Net Income of Revenue	6.8	6.2	5.2	5.9	5.6	5.6	4.8	4.4	3.8	1.7
% Return on Assets	7.7	6.5	5.6	5.8	8.8	8.5	8.4	7.7	5.5	NA
% Return on Equity	12.9	11.6	10.7	10.5	12.0	11.3	10.9	9.9	7.8	NA

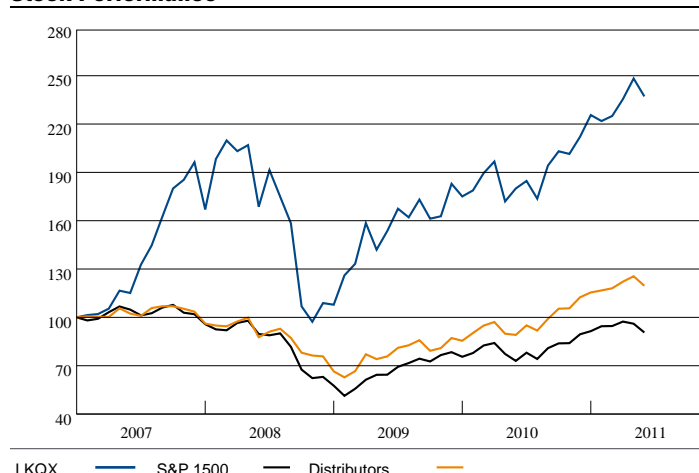
Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

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Dir: A. C. Allen, V. M. Casini, R. M. Devlin, D. F. Flynn, K. F. Flynn, R. Foster, J. M. Holsten, P. M. Meister, J. F. O'Brien, W. M. Webster, IV  
Co-CEO & Pres: R. L. Wagman  
CFO & EVP: J. S. Quinn

General Counsel, SVP & Secy: V. M. Casini  
Investor Contact: Mark T. Spears(312-621-1950)  
Founded: 1998  
Domicile: Delaware  
Employees: 12,000

**Stock Performance**



	Company(%)	Industry(%)	S&P 1500(%)
YTD Return	11.8	6.3	1.2
One Year Return	29.3	31.9	17.3
Three Year Return (% Annualized)	14.5	10.5	-0.6
Five Year Return (% Annualized)	22.1	5.8	0.9
Value of \$10,000 Invested 5 Years Ago	\$27,093	\$13,243	\$10,437

**Sub-Industry Outlook**

Our fundamental outlook for the distributors sub-industry is positive, as we expect economic growth over the next 12 months. Companies included in the S&P sub-industry index distribute automotive products, building materials and electronic components, among other products.

S&P expects real GDP to grow at an annualized rate of 2.2% in the second quarter of 2011, following 1.8% growth rate in the first quarter. Inflation-adjusted consumer spending was up an estimated 2.2% in the first quarter, and should rise 1.5% in the second quarter. We believe distributors will see an increase in business as the economy and consumer spending improve during the expected recovery. S&P estimates non-residential fixed investment spending will advance 8.5% in 2011, and 8.1% in 2012. We think distributors will be aided by this stabilization of capital spending by OEMs.

In the long run, we expect distributors' profits to trend upward in line with the merchandisers and OEMs they support. Inflation-adjusted consumer spending advanced 1.8% in 2010, and S&P projects a 2.6% increase in 2011 and 2.4% growth in 2012. Federal government spending was up 4.8% in 2010, and S&P estimates a flattish 2011 and a 3.1% reduction in 2012. The unemployment rate was 9.6% in 2010, and S&P estimates that it will decline to 8.8% in 2011 and 8.4% in 2012. The CPI rose 1.7% in 2010, and we see it accelerating to a 3.0% increase in 2011, before decelerating to a 1.7% gain in 2012. Real GDP rose 2.9% in 2010, and S&P estimates it will ease to 2.6% growth in 2011.

Year to date through June 17, the S&P Distributors Index was up 4.5%, compared to a 1.3% increase for

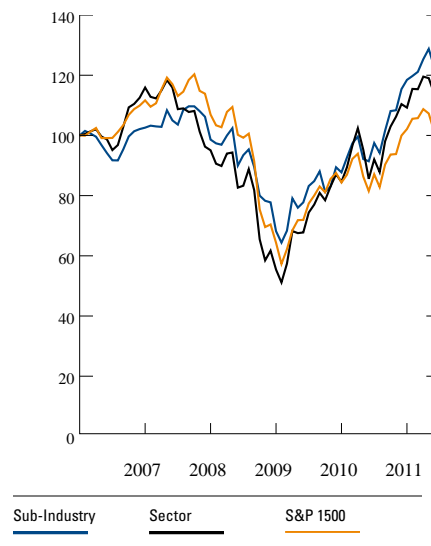
the S&P 1500 Index. In 2010, the sub-industry index rose 29.0%, versus a 14.2% gain for the S&P 1500. Investors should keep in mind that the S&P Distributors Index currently comprises just four companies, only one of which is followed analytically. Many large distributors are included in other S&P indexes, such as Food Distributors, Health Care Distributors & Services, and Trading Companies & Distributors.

--Efraim Levy, CFA

**Stock Performance**

**GICS Sector: Consumer Discretionary  
Sub-Industry: Distributors**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 05/31/11



**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

**Sub-Industry : Distributors Peer Group\***: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>LKQ Corp</b>	<b>LKQX</b>	<b>3,706</b>	<b>25.40</b>	<b>27.27/17.81</b>	<b>NA</b>	<b>Nil</b>	<b>22</b>	<b>24.10</b>	<b>NR</b>	<b>92</b>	<b>6.8</b>	<b>27.2</b>
Ace Marketing & Promotions	AMKT	12	0.68	0.80/0.11	0.07	Nil	NM	NA	NR	NA	NA	NA
Asia time	ATYM	1	0.05	0.10/0.01	NA	Nil	NM	NA	NR	67	5.8	1.3
Core-Mark Hldg	CORE	389	34.19	37.19/25.61	1.17	Nil	23	36.80	NR	58	0.2	NA
EnviroStar Inc	EVI	9	1.28	1.52/1.02	0.56	Nil	18	NA	B	65	2.1	NA
Euro Group of Cos	EGCO	5	0.04	0.17/0.01	1.42	Nil	NM	NA	NR	3	NM	NA
First Asia Holdings	FAHLF	14	0.60	1.75/0.01	NM	Nil	30	NA	NR	30	22.1	NA
GBS Enterprises	GBSX	62	3.80	5.00/1.95	NA	Nil	NM	NA	NR	NA	NA	NA
George Foreman Enterprises	GFME	3	0.84	1.90/0.08	2.25	Nil	NM	NA	NR	8	NA	NA
Intl Packaging and Logistics	IPLO	1	0.25	1.20/0.05	-2.69	Nil	13	NA	B-	31	0.4	NA
Legacy Wine & Spirits	LWSP	1	0.01	0.05/0.01	-1.93	Nil	NM	NA	NR	NA	NA	NA
Organic Sales & Mktg	OGSM	1	0.09	0.18/0.03	-0.48	Nil	NM	NA	NR	NA	NA	NA
Pool Corp	POOL	1,380	28.65	31.07/18.32	1.29	2.0	23	24.20	B+	96	3.6	41.1
Synergy Brands	SYBRQ	NA	0.02	0.88/0.01	0.98	Nil	NM	NA	D	NA	2.0	53.5
Weyco Group	WEYS	254	22.37	26.80/22.25	0.66	2.9	19	NA	B+	80	6.2	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

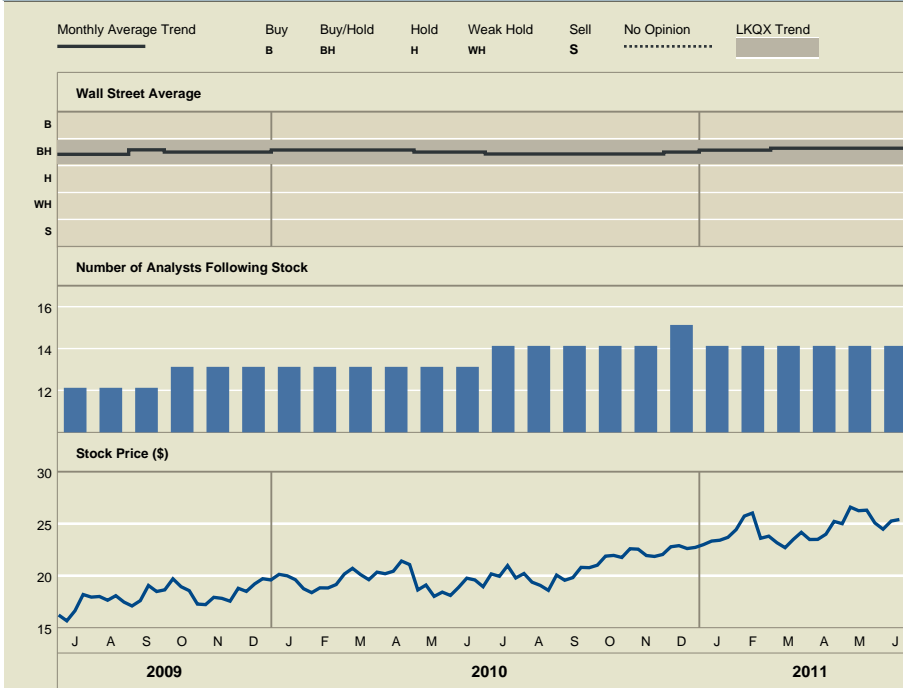
**S&P Analyst Research Notes and other Company News****April 29, 2011**

LKQ Corp. reported unaudited consolidated earnings results for the first quarter ended March 31, 2011. For the period, the company reported revenue of \$786.6 million, an increase of 30.3% as compared to \$603.5 million in the first quarter of 2010. Income from continuing operations was \$58.18 million or \$0.39 per diluted share, an increase of 11.9% as compared to \$51.98 million or \$0.36 per diluted share for the same period of 2010. The company noted that the 2011 diluted earnings per share results included a loss on debt extinguishment equal to \$0.02 for the write-off of debt issuance costs in conjunction with the previously announced refinancing of its credit facility. The company attributed the high revenue growth to a combination of acquisition activity and improved organic growth in its core lines of business. Net income was \$58.18 million compared to \$53.94 million for the same period last year. Net cash provided by operating activities was \$77.31 million compared to \$88.06 million for the same period last year. Purchases of property and equipment was \$18.1 million compared to \$10.9 million for the same period last year. The company also announced that it is raising earnings guidance for the year ending December 31, 2011. Income from continuing operations and diluted earnings per share from continuing operations are anticipated to be within the range of \$197 million to \$211 million and \$1.33 to \$1.42, respectively. The company's previous guidance was \$194 million to \$208 million for income from continuing operations, and \$1.31 to \$1.39 for diluted earnings per share. The company left unchanged its previous guidance of approximately \$195 million for cash flows from continuing operations, \$85-\$95 million in capital expenditures, and organic growth of 6% to 8% from parts and services revenue. The company noted that it does not include sale of scrap or cores in its definition of parts and services revenue. Additionally, the guidance provided excludes restructuring expenses and any gains or losses or capital expenditures related to acquisitions or divestitures.

**March 1, 2011**

LKQ Corp. announced that on February 28, 2011, Frank P. Erlain retired from his officer position of Vice President - Finance and Controller of the company. Mr. Erlain will remain employed by the company on a part time basis assisting with special projects. On February 28, 2011, Michael S. Clark was elected as Vice President - Finance and Controller to succeed Mr. Erlain. Prior thereto, Mr. Clark had served as the company's Assistant Controller since May 2008.

**Analysts' Recommendations**



Of the total 15 companies following LKQX, 15 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	7	47	7	7
Buy/Hold	2	13	2	2
Hold	5	33	5	5
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	1	7	1	1
<b>Total</b>	<b>15</b>	<b>100</b>	<b>15</b>	<b>15</b>

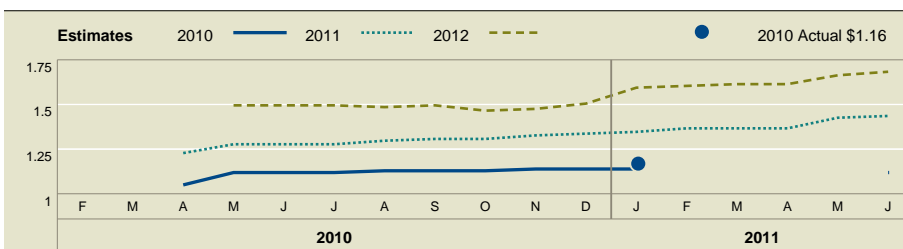
**Wall Street Consensus Opinion**

**BUY/HOLD**

**Companies Offering Coverage**

- Barrington Research
- Bb&t Capital Markets
- Bofa Merrill Lynch
- C.I. King & Associates, Inc.
- Canaccord Genuity
- Deutsche Bank North America
- Gabelli & Company
- Morgan, Keegan & Company, Inc.
- Morningstar, Inc.
- RBC Capital Markets
- Raymond James
- Robert W. Baird & Co., Inc.
- Sidoti & Company LLC
- Thinkequity LLC
- William Blair & Company, L.L.c.

**Wall Street Consensus Estimates**



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	1.69	1.83	1.60	14	15.0
2011	1.44	1.48	1.38	11	17.6
<b>2012 vs. 2011</b>	<b>▲ 17%</b>	<b>▲ 24%</b>	<b>▲ 16%</b>	<b>▲ 27%</b>	<b>▼ -15%</b>
Q2'12	0.40	0.44	0.37	13	63.5
Q2'11	0.34	0.37	0.31	13	74.7
<b>Q2'12 vs. Q2'11</b>	<b>▲ 18%</b>	<b>▲ 19%</b>	<b>▲ 19%</b>	<b>0%</b>	<b>▼ -15%</b>

**Wall Street Consensus vs. Performance**

For fiscal year 2011, analysts estimate that LKQX will earn \$1.44. For the 1st quarter of fiscal year 2011, LKQX announced earnings per share of \$0.39, representing 27% of the total annual estimate. For fiscal year 2012, analysts estimate that LKQX's earnings per share will grow by 17% to \$1.69.

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

**Glossary**

**S&P Quality Ranking** - Growth and stability of earnings and dividends are deemed key elements in establishing S&P's quality ranking for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

**S&P Fair Value Rank** - Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

**Funds From Operations (FFO)** - FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

**Fair Value Calculation** - The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

**Investability Quotient (IQ)** - The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**Standard & Poor's IQ Rationale:**  
**LKQ Corp**

	Raw Score	Max Value
Proprietary S&P Measures	14	115
Technical Indicators	22	40
Liquidity/Volatility Measures	14	20
Quantitative Measures	70	75
<b>IQ Total</b>	<b>120</b>	<b>250</b>

**Volatility** - Rates the volatility of the stock's price over the past year.

**Technical Evaluation** - In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

**Relative Strength Rank** - Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

**Global Industry Classification Standard (GICS)** - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

**Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).**

**Required Disclosures**

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