



Automotive Repair & Maintenance Services

US Industry Study with Forecasts to **2010 & 2015**

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Despite improvements in new light vehicle quality, reliability and durability, opportunities to provide service for these vehicles are expected to arise as more of them reach prime aftermarket service age.

US demand to grow 4% annually through 2010

Repair and maintenance service revenue for light vehicles in the US is projected to increase at an annual rate of 4.0 percent, reaching \$105 billion by 2010. The industry's current moderate revenue growth results from improvements in new vehicle quality, reliability and durability. However, opportunities to provide service are expected to arise as more vehicles reach prime aftermarket service age.

New vehicle dealers to increase market share

New light vehicle dealers held the largest share of the automotive service market in 2005, due to their typically large size and industry-high labor rates. Dealers offer a unique combination of special tools, training and equipment needed to perform many key service operations, and benefit from direct access to the diagnostic data used to troubleshoot vehicle systems. Dealers consider parts and service work highly valuable due to its outsized impact on their bottom line results. Additional reasons for the expected growth of the new light vehicle dealer's share of the service market include the extended vehicle and powertrain warranties offered on many newer vehicles. Since warranty work, which is paid for by the OEM, is typically performed at a fraction of the rate dealers charge retail customers, the impact will be moderated yet remain substantial.

US Automotive Service Revenues (\$105 billion, 2010)

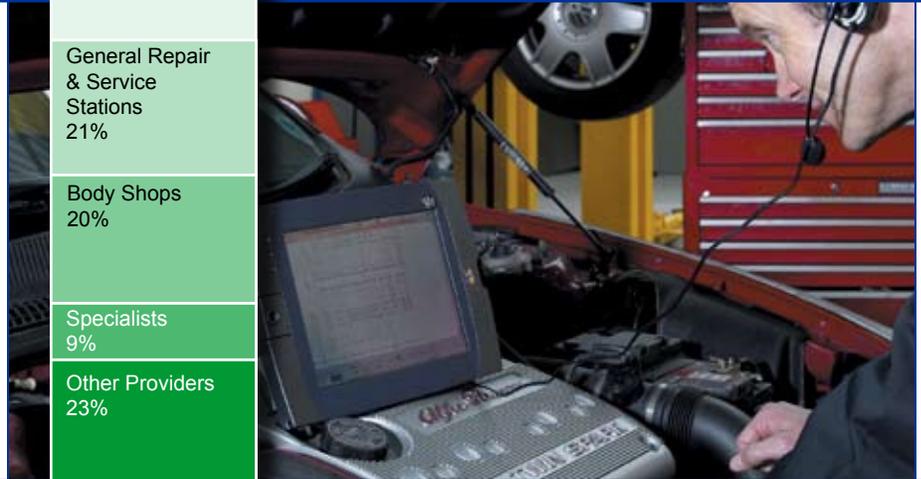
New Light Vehicle Dealers
26%

General Repair & Service Stations
21%

Body Shops
20%

Specialists
9%

Other Providers
23%



Quick lubes, tire stores, repair chains to lead gains

General repair garages and service stations are expected to experience below average growth as an increasing number of these providers install convenience stores in the place of service bays. Independent garages are also hampered by the inability to access OEM diagnostic and service data at cost-effective rates, and often have difficulty attracting and retaining skilled technicians.

Quick lubes will continue to experience strong growth as they expand beyond oil changes and increasingly offer services that are possible while the vehicle is in position for an oil change. These can

include radiator flush and refill, transmission oil and filter change, diagnostic system scans, cabin air filter changes, tire rotation and vehicle inspections.

Body shops will continue to perform the majority of vehicle body repair work, although dealers are attempting to capture more of this business. Specialists will experience moderate growth as a group, caused by the improved quality of stainless steel exhaust systems and extended OEM powertrain warranties.

Tire stores and repair chains will experience strong growth as they expand into more service categories, and to an extent replace general repair garages as local service providers.

Sample Text, Table & Chart

REPAIR & MAINTENANCE SERVICE PROVIDERS

Body Shops

Demand at body shops for automotive repair and maintenance services is expected to grow at a three percent annual rate through 2015. This growth is driven by both standard crash repair and collision repair services. The collision repair industry, which allows car owners to repair their vehicles at a lower cost, is expected to grow more rapidly. Body shops represent a highly competitive industry of "mom and pop" shops. MAACO Enterprises has national coverage. The industry today provide evidence that attempts to consolidate the industry in the late 1990s have not been as successful as envisioned.

MAACO Enterprises is a privately held company specializing in automotive refinishing and body work. The company conducts business through franchise operations in the US, Canada and Mexico. MAACO's services include cosmetic and collision repairs, including rust, scratch, ding and dent repair. MAACO Enterprises operates through franchised stores that typically occupy between 8,000 and 10,000 square feet. As of 2006, the company operated approximately 500 MAACO franchises in the US.

Earl Scheib is one of the largest automotive painting and body repair service companies, painting more than 150,000 cars and trucks annually. The company also has a network of retail paint stores. GAMCO Investors owns more than 39 percent of the company. Among other services, the company performs body repairs due to minor collisions. Minor repairs include dents and any other similar damage that does not require frame straightening. Earl Scheib provides these services through its EARL SCHEIB network of paint and body shops. According to the company, 25 percent of the work done at these shops comprise body work. As of April 2006, Earl Scheib operated 102 body repair and retail

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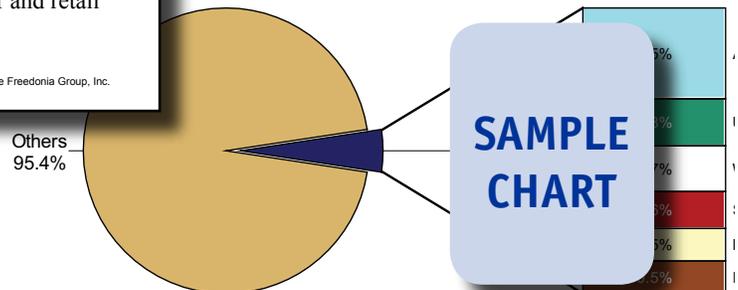
TABLE VI-2
COLLISION REPAIR SERVICE REVENUES BY PROVIDER
 (million dollars)

Item	1995	2000	2005	2010	2015
Auto Repair & Maintenance Service	60000				0
% collision repair	25.8				
Collision Repair Service Revenues	15500				
Body Shops	8900				
New Light Vehicle Dealers	3690				
General Repair & Service Stations	1630				
Specialists	540				
Tire Stores & Repair Chains	470				
Quick Lubes	80				
Other	190				

SAMPLE TABLE

CHART VII-1

COLLISION REPAIR SERVICE MARKET SHARE BY COMPANY, 2005
 (\$86.2 billion)

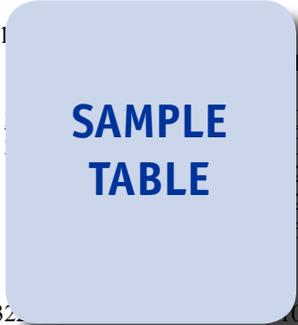


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE IV-9
EXHAUST/EMISSION SYSTEM SERVICE REVENUES
 (million dollars)

Item	1995	2000	2005	2010	2015
Light Vehicles in Use (million)	1				4
\$ exhaust service/vehicle					3
Exhaust/Emission Service					10
Exhaust System					10
Catalytic Converter					20
Oxygen Sensor					20
Other					50
% exhaust/emission					2
Total Mechanical Service	32				100



COMPANY PROFILES

TCG International Incorporated
 2700-4710 Kingsway
 Burnaby, British Columbia V5H 4M2
 Canada
 604-438-1000
 http://www.tcgi.com

Annual Sales: 1 (verify, 12/06)
 Employment: 2 (06)

Key Services: 1 repairing, tempered glass replacing, signal repair, and air bag system c

SAMPLE PROFILE

TCG International (TCGI) is a privately held glass, automotive aftermarket, telecommunications and signage company. The Company's telecommunications operations are conducted by Glentel Incorporated (Canada), a publicly traded company that is majority held by TCGI.

The Company's automotive activities include SPEEDY GLASS stores, and NOVUS and TECHZONE franchises. SPEEDY GLASS stores provide automotive, commercial and residential glass replacement and repair services. For the automotive market, these stores replace and repair laminated windshields, and replace tempered glass. There are over 120 company-owned and franchised locations in Alaska, Arizona, California, Colorado, Idaho, Illinois, Indiana, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin. SPEEDY GLASS services also encompass over 300 vehicles that provide mobile glass services.

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"The market for catalytic converter service will increase 4.6 percent annually to \$250 million in 2010. Future growth in demand will be driven by greater numbers of vehicles in the park featuring multiple catalytic converters, due to more stringent emission control mandates that come into effect over the next several years. Industry participants indicate that many vehicles will likely require up to four catalytic converters to meet the new specifications compared to the one or two typically used today. A trend moderating growth from a revenue perspective is ..."

--Section IV, pg. 61

OTHER STUDIES

Automotive Aftermarket in China

This study analyzes the aftermarket for automotive parts and components used in light vehicles and on-road farm vehicles in China. It presents historical data (1996, 2001, 2006) and forecasts for 2011 and 2016 by product (e.g., mechanical, electrical, electronics, exterior and structural); and by major service performer (professional, DIY consumers). The study also considers market environment factors, evaluates company market share and profiles major producers.

#2262 11/2007..... \$4900

World Motorcycles

Global motorcycle demand will grow 6% yearly through 2011. Gains will be led by developing markets based on rising incomes and the introduction of higher quality machines with newer technologies. In developed markets, fuel prices and car restrictions will make motorcycles more attractive as transportation. This study analyzes the 44.3 million unit world motorcycle industry, with forecasts for 2011 and 2016 by type, world region and for 18 countries. It also details market share and profiles major players.

#2251 11/2007..... \$5400

Recreational Boating

US recreational boating demand will grow 5.3% yearly through 2011. Powerboats will drive the boat category, led by outboard and sterndrive types. Propulsion systems will be the fastest growing segments. The South offers the best prospects based on its warmer climate and favorable demographics. This study analyzes the \$15.7 billion US recreational boating industry, with forecasts for 2011 and 2016 by material, product and region. It also evaluates company market share and profiles leading competitors.

#2249 09/2007..... \$4500

World OEM Automotive Electronics

Global demand for OEM automotive electronics will grow 7.5% yearly through 2011. Gains will be driven by more electronics use per vehicle and faster technology transfer from developed to developing countries. The best prospects are emerging in safety, entertainment and power electronics. This study analyzes the \$106 billion world OEM automotive electronic industry, with forecasts for 2011 and 2016 by product, world region and for 23 countries. It also evaluates market share and profiles major players.

#2230 09/2007..... \$5500

Automotive Aftermarket in North America

The North American aftermarket for light vehicle parts will grow 3.2% annually through 2010 as more vehicles reach prime service age. Mechanical products will remain dominant while electronics will lead gains. Professional service performers will strengthen their dominance over consumer/DIY performers. This study analyzes the \$50.2 billion North American automotive aftermarket parts industry to 2010 and 2015 by product, service performer and country. It also evaluates market share and profiles major firms.

#2121 11/2006..... \$4400

About The Freedonia Group

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- Chemicals • Plastics • Life Sciences • Packaging • Building Materials • Security & Electronics • Industrial Components & Equipment • Automotive & Transportation Equipment • Household Goods • Energy/Power Equipment

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