

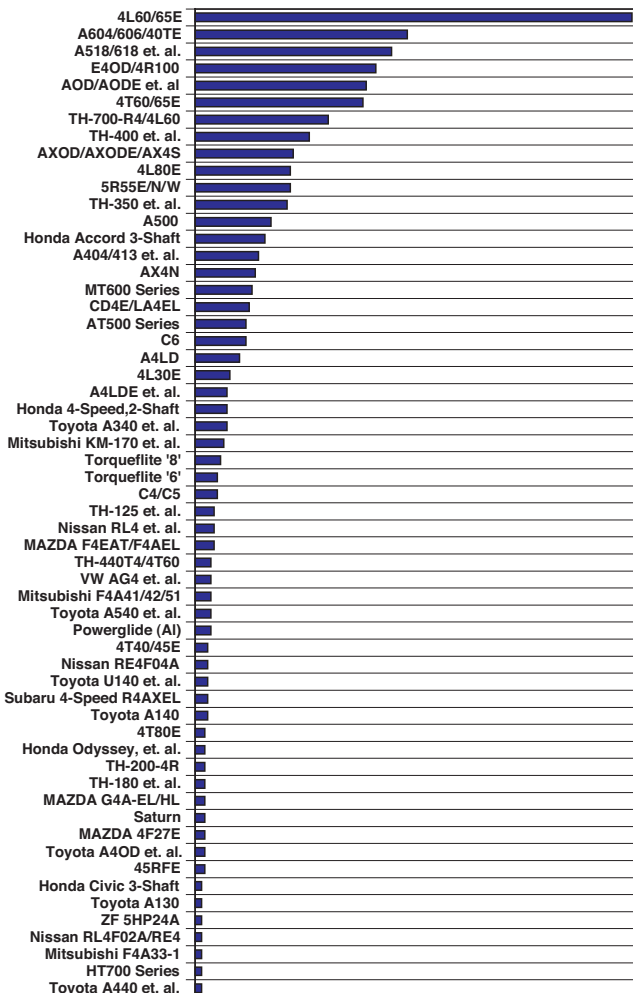
We hope you find many uses for the information gathered in the 25th annual *Transmission Digest* survey of reader shops. Both the industry and the survey have seen a lot of changes during that period. Perhaps more than any other tool, the Composite Analysis found on page 4 should be of interest to retail shops and their suppliers. In a concise format, we capture much of the essence of who's accomplishing what in the retail marketplace.

There are five sets of pie charts and accompanying line graphs that examine the most-often-rebuilt automatic transmissions by manufacturer (imports have been lumped together). The line graphs show the percentage of shops that don't, for one reason or another, rebuild or install a particular unit. The pie charts depict shops that do work on the units and indicate the relative percentage of jobs that are built in house as well as those that rely on installing an outsourced transmission.

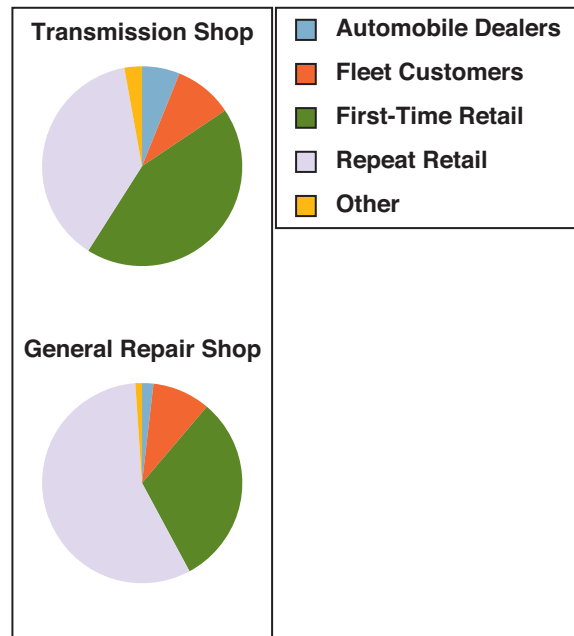
The figures we typically use for kit popularity weren't available for 2009 in time for this survey. The chart below shows the distribution of kit demand from the prior year. Without context, that appears to be a batting average of .500. However, there are so many more 4L60s showing up than Saturns that the shop probably would say it rebuilds all GM units.

This companion directory is designed to be an industry phone book to help quickly contact suppliers, their sales teams and support functions. A company by company listing including personnel and branches begins on page 11; a listing of key supplier personnel by last name begins on page 31.

**Relative Incidence of Rebuild:
Most Seen Units**



Sources of Transmission Jobs



Tracking the Difference

Year to year we see fluctuations as the result of asking the shops to describe their business as one of four: primarily transmission; transmission also offering general repair; primarily general repair; or general repair including transmission.

Composite Analysis Of *Transmission Digest* reader shops

	Transmission Specialty Retail Shops		General Repair Retail Shops	
	2010	2009	2010	2009
As a % of Transmission Digest Shop Readership:	65%	61%	35%	39%
Composite Shop				
Active Owners	1.22	1.25	1.24	1.26
Facility Managers	0.49	0.66	0.66	0.96
Transmission Rebuilders	1.11	1.26	0.81	0.81
Transmission Installers	1.27	1.68	1.86	1.96
Other Technicians/Mechanics	0.27	0.63	1.71	1.44
Office Employees	0.46	0.63	0.86	1.07
Total Employees Who:				
Rebuild	1.68	1.57	1.81	0.93
Diagnose	2.05	2.00	2.04	2.04
Read Transmission Digest	2.68	2.90	2.95	2.60
Shop Transmission Volume Average Month				
Automatic Rebuilds	24.86	25.60	7.50	9.80
Manual Rebuilds	2.74	3.01	1.83	6.10
Automatic Reman Unit Installed	4.78	6.00	3.78	3.23
Manual Reman Unit Installed	0.63	1.80	0.58	2.02
Sources of Shop Business				
Automotive Dealership	6.1%	8.53%	1.8%	0.33%
Fleet / Wholesale	9.50%	10.12%	9.40%	10.00%
First-time Retail Customer	43.41%	43.73%	31.00%	19.17%
Repeat Retail Customer	38.06%	33.44%	56.74%	67.50%
All Other Customer Sources	2.90%	4.18%	1.10 %	3.00%

Impact Perspective:

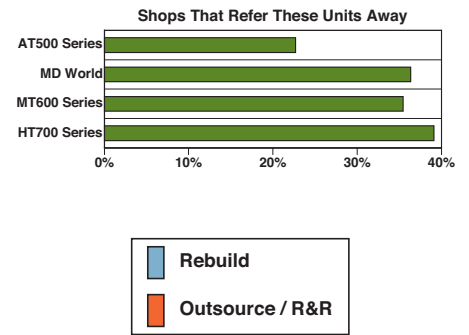
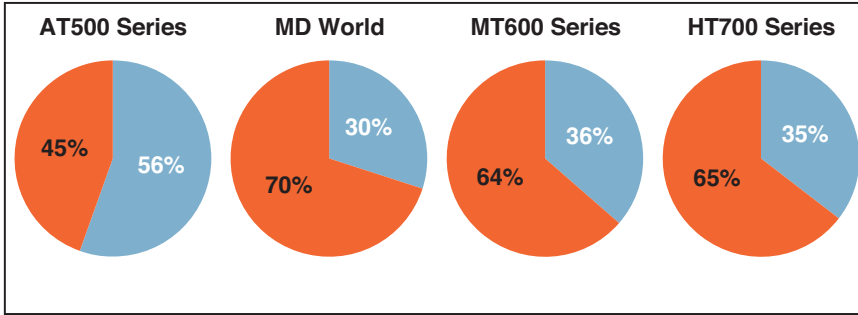
Given the above statistics for pass-along readership in retail shops, *Transmission Digest* magazine is read by more than 48,000 North American shop owners, managers and technicians every month.

New technologies still small portion of jobs:

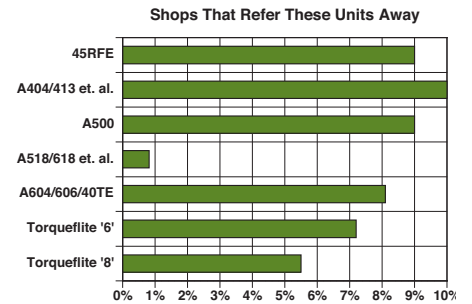
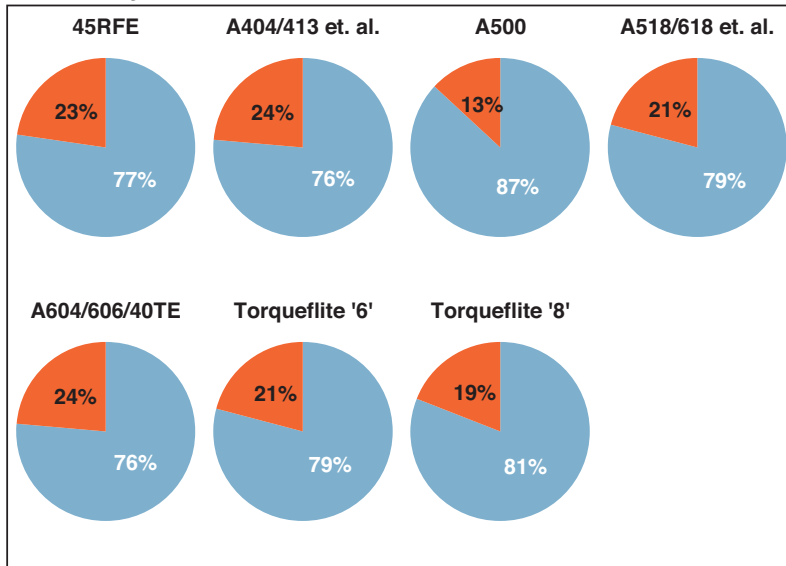
Again this year the incidence of repairs reported for CVT, DSG or Hybrid units were minimal. As we continue to track these over the next few years, the additional categories will appear in this report.

POWERTRAIN AFTERMARKET SURVEYS

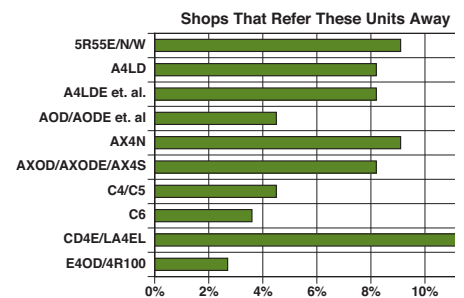
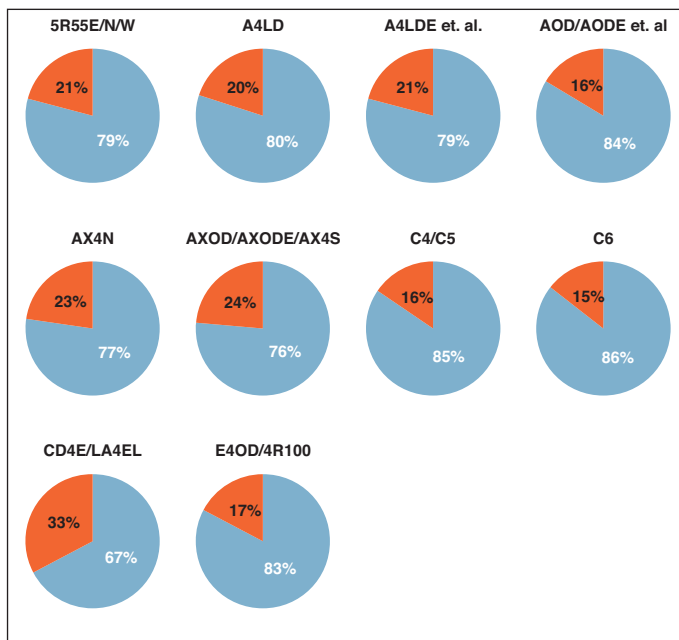
Allison Units: Rebuilt in-House or Outsourced R&R



Chrysler Units: Rebuilt in-House or Outsourced R&R

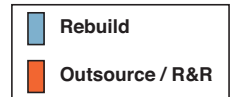
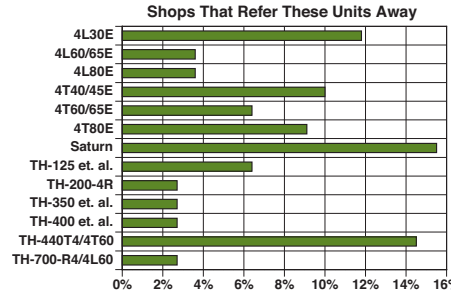
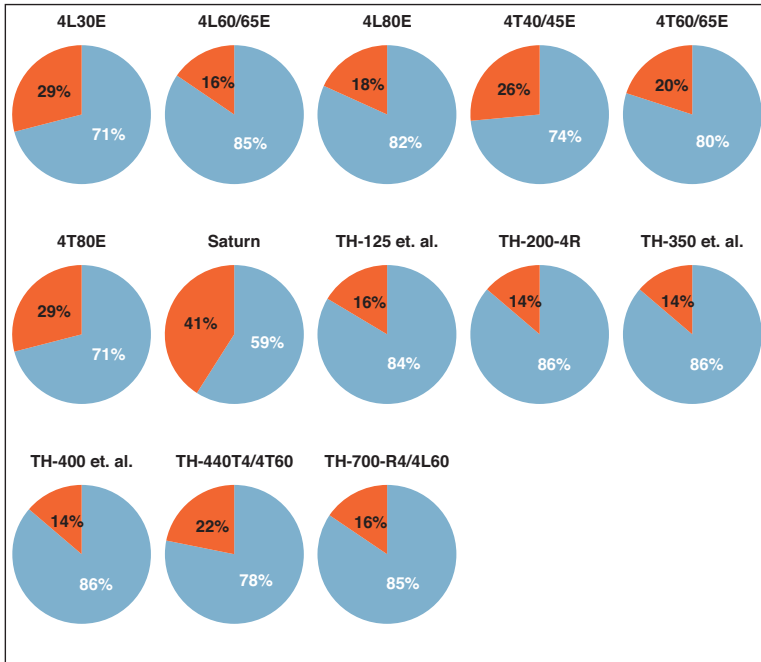


Ford Units: Rebuilt in-House or Outsourced R&R

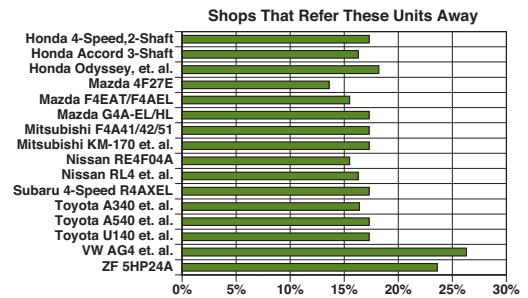
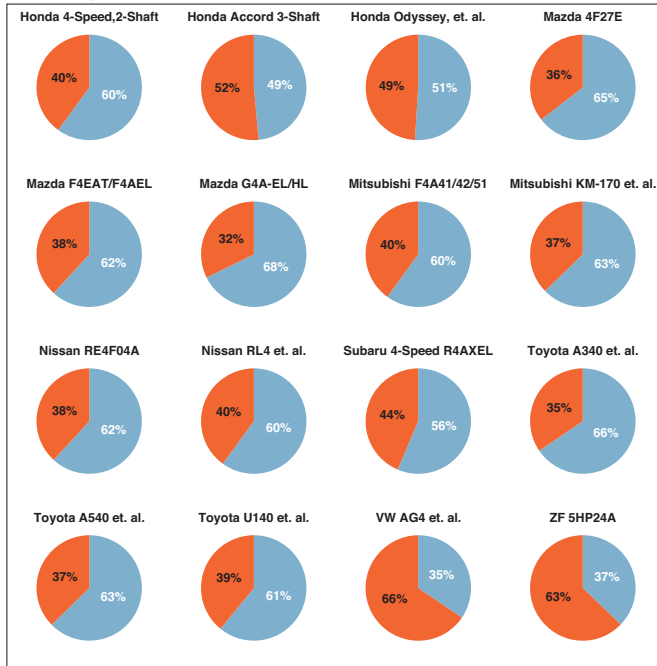


POWERTRAIN AFTERMARKET SURVEYS

General Motors Units: Rebuilt in-House or Outsourced R&R

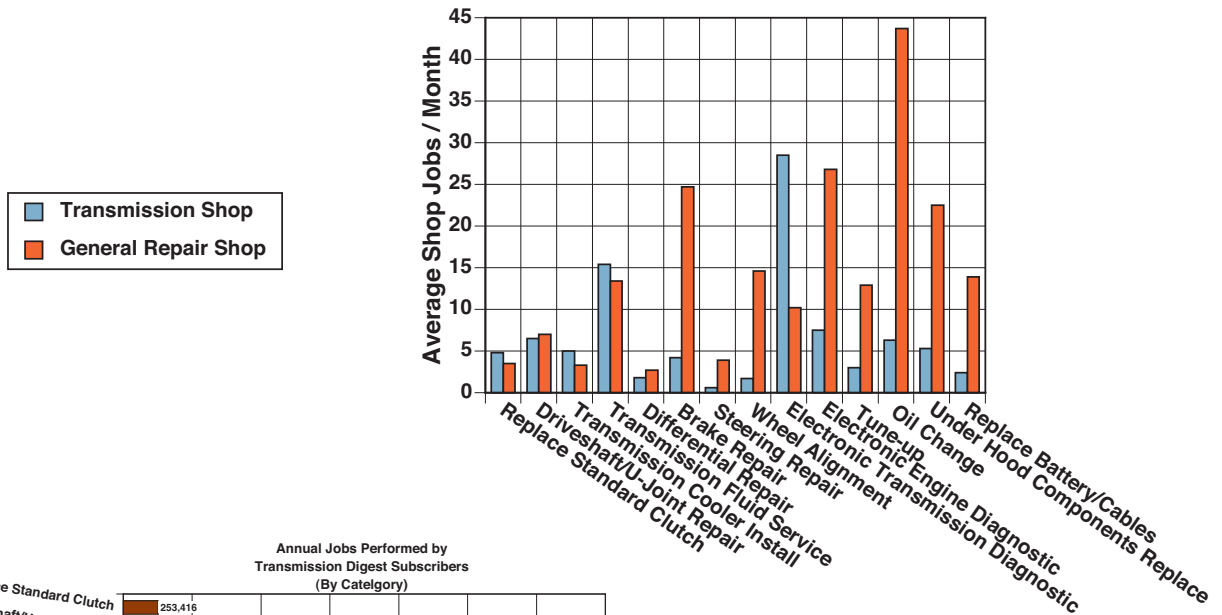


Import Units: Rebuilt in-House or Outsourced R&R

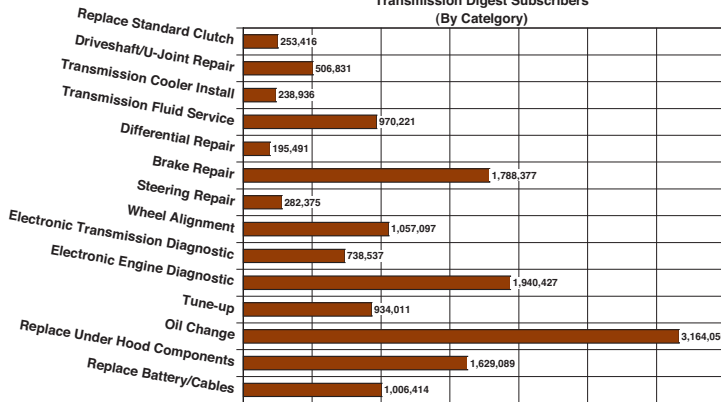


POWERTRAIN AFTERMARKET SURVEYS

Average Number Monthly Jobs Performed by Transmission Digest Subscribers

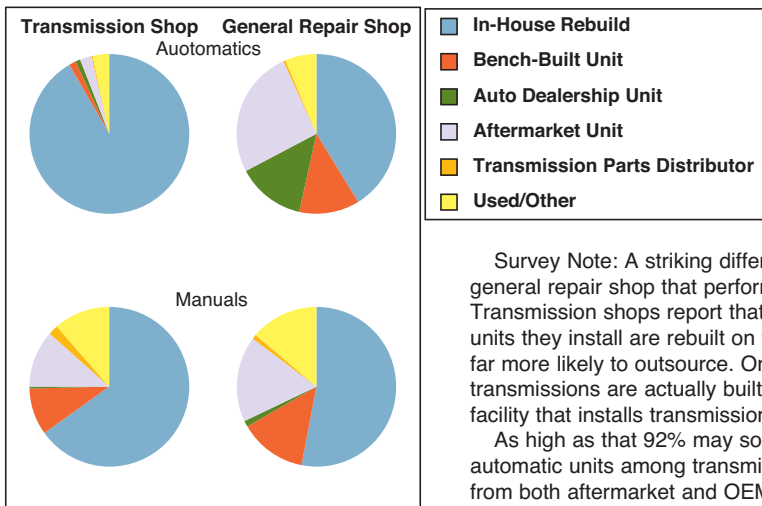


Annual Jobs Performed by Transmission Digest Subscribers (By Category)



Among retail shops that receive *Transmission Digest*, about 62% report general repair work to be of some significance to overall volume and profitability. The graph above looks at the average number of various general repair jobs that the composite shop sees on a monthly basis. The graph on the left projects those numbers into the total number of each job type performed by all readers in the course of a year.

Rebuilt Transmission Sources

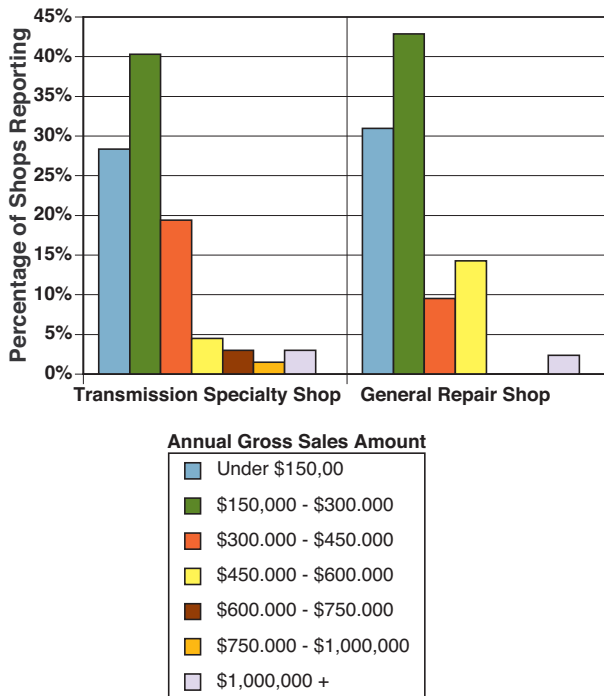


Survey Note: A striking difference between the transmission shop and the general repair shop that performs transmission work is the sourcing of rebuilt units. Transmission shops report that about 92% of automatic units and 65% of manual units they install are rebuilt on their own benches. General repair shop readers are far more likely to outsource. Only 41% of automatics and 53% of manual transmissions are actually built by the employees of the typical general repair facility that installs transmissions.

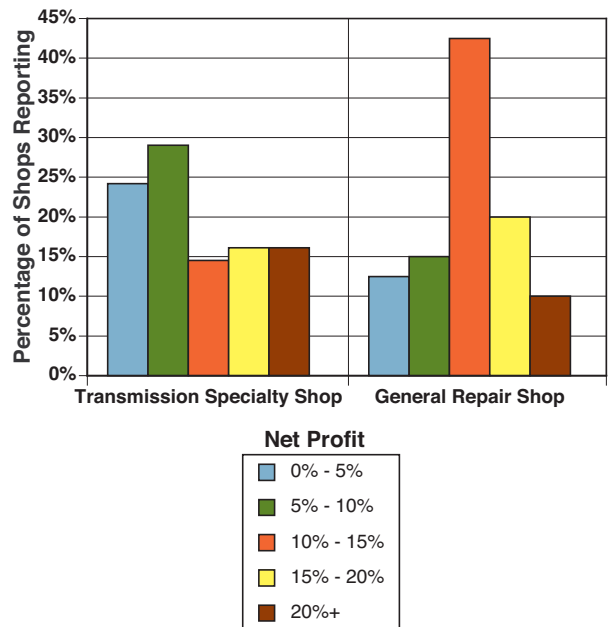
As high as that 92% may sound, the recent years' 6-7% increase in outsourced automatic units among transmission shops adds up to a lot of transmissions coming from both aftermarket and OEM remanufacturing operations.

POWERTRAIN AFTERMARKET SURVEYS

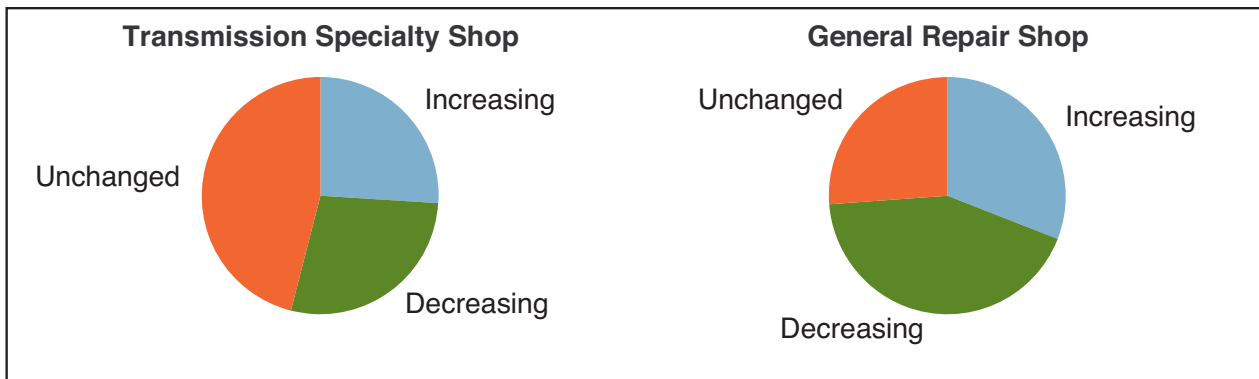
2009 Reported Shop Gross Sales



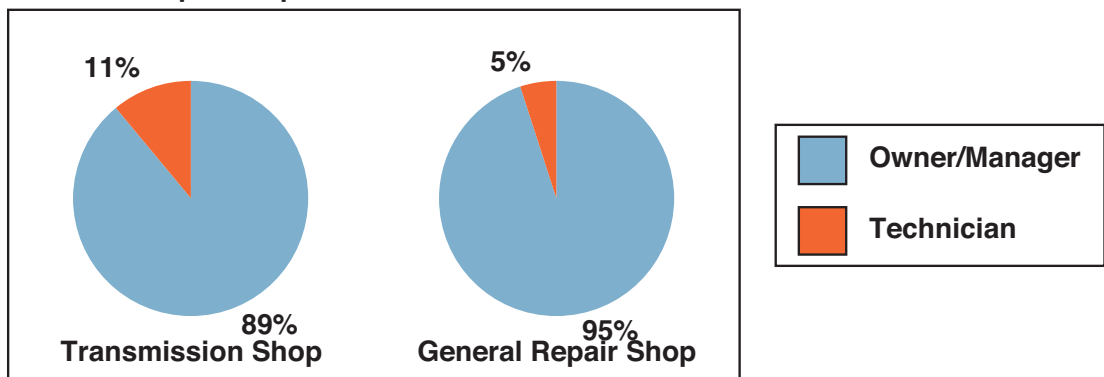
2009 Reported Shop Net Profit



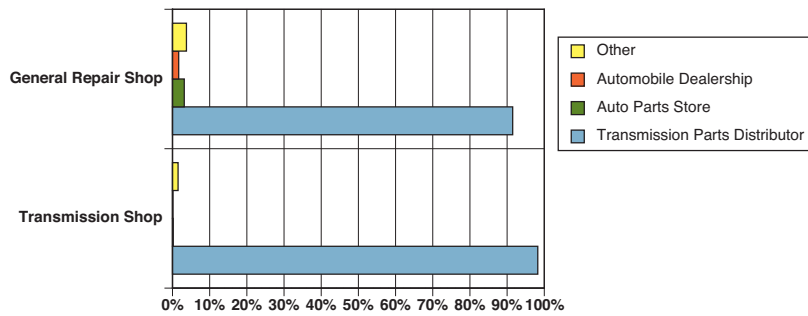
What's happening to profitability in shops?



Who is responsible for purchase and ordering of component parts and outsourced units?

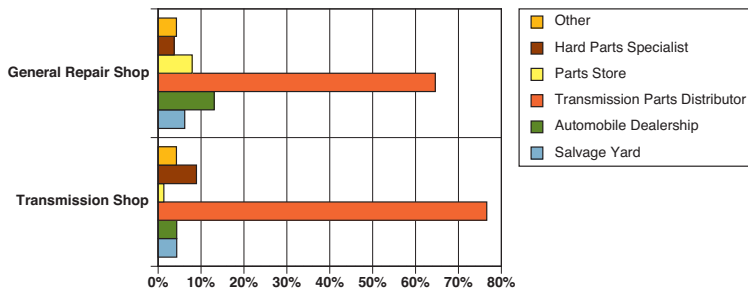


Kit Supply Sources



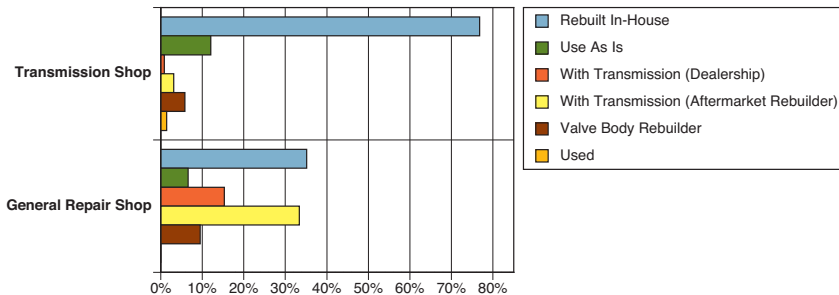
No surprise that both transmission shops and general repair shops turn overwhelmingly to aftermarket specialty distributors as a source of rebuilding kits.

Hard Parts Sources



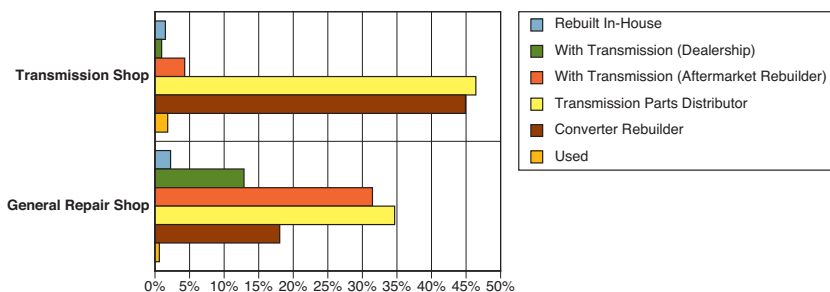
As the networks of multiple distribution points for specialty distributors have grown over the past several years so to has the probability that the specialty distributor will deliver its own hard parts. Once there was a great difference in the popular sources for soft and hard parts. Today, common hard parts are part of the distributor's line. Hard to find and antique parts are still often sourced from specialized hard part suppliers.

Valve Body Supply Sources



Valve bodies continue to grow in complexity as well as requiring tighter wear tolerances. Retailers, with a reliable remanufactured valve body, can often save time and reduce training requirement for shop rebuilders by outsourcing certain units.

Torque Converter Supply Sources



Just as is the case with hard parts, many of the national chain specialty transmission distributors offer a nearly complete line of torque converters. One stop shopping is a valuable time saving convenience to retailers. Suppliers of racing and performance or special duty converters remain a specialized niche to themselves.