
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

Current Report

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 28, 2011

LKQ CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-50404
(Commission
File Number)

36-4215970
(IRS Employer
Identification No.)

500 West Madison Street, Suite 2800
Chicago, IL
(Address of principal executive offices)

60661
(Zip Code)

Registrant's telephone number, including area code: (312) 621-1950

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On July 28, 2011, LKQ Corporation (the “Company”) issued a press release regarding its second quarter 2011 earnings and 2011 financial guidance. A copy of the Company’s press release is furnished as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	LKQ Corporation Press Release dated July 28, 2011.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 28, 2011

LKQ CORPORATION

By: /s/ J OHN S. Q UINN

John S. Quinn
Executive Vice President and Chief Financial
Officer



LKQ CORPORATION POSTS RECORD SECOND QUARTER 2011 RESULTS

- **Revenue growth of 30% to \$760 million**
- **Organic revenue growth of 12%**
- **Diluted EPS from continuing operations increases 23%**

Chicago, IL (July 28, 2011) - LKQ Corporation (Nasdaq:LKQX) today reported revenue for the second quarter of 2011 of \$759.7 million, an increase of 29.9% as compared to \$584.7 million in the second quarter of 2010. Income from continuing operations for the second quarter of 2011 was \$46.7 million, an increase of 23.2% as compared to \$37.9 million for the same period of 2010. Diluted earnings per share from continuing operations of \$0.32 for the second quarter ended June 30, 2011 increased 23.1% from \$0.26 for the second quarter of 2010.

“All of the operating groups performed well during the quarter,” stated Robert Wagman, President and Co-Chief Executive Officer of LKQ Corporation. Mr. Wagman continued, “We believe higher fuel prices and lower miles driven created some challenges for certain segments of our business. Despite those challenges, the Company delivered total organic growth of 12.2% in the quarter, including 8.4% for parts and services.”

Joseph Holsten, Vice Chairman and Co-Chief Executive Officer of LKQ Corporation added, “We continued our acquisition plans which contributed 17.5% to our revenue growth year-over-year. While realizing the full potential of these businesses will take some time, we are on pace with our plans for integration.”

On a six month year-to-date basis, revenue was \$1.55 billion, an increase of 30.1% from \$1.19 billion for the same six month period of 2010. Income from continuing operations for the first six months of 2011 was \$104.9 million, as compared to \$89.9 million for the first half of 2010. Diluted earnings per share from continuing operations was \$0.71 for the first six months of 2011, as compared to \$0.62 for the same six month period of 2010.

Organic revenue growth on a six month year-to-date basis was 12.9%. Parts and services revenue grew organically by 9.4%. Acquisition revenue growth on a six month year-to-date basis was 17.0%.

Robert Wagman added: “Overall, we are excited about the industry dynamics we see today. Alternative parts usage continues to grow, our fill rates are at historical highs, and we continue to see strong insurance support as we explore alternative salvage solutions outside of the traditional auction environment.”

Balance Sheet and Liquidity

As of June 30, 2011, LKQ’s balance sheet reflected cash and equivalents of \$42.3 million, and the outstanding obligations under the Company’s credit facilities were \$574.6 million (\$246.9 million of term loans and \$327.7 million of revolver borrowings). Availability under the revolver at June 30, 2011, including the impact of outstanding letters of credit of \$33.7 million, was \$388.6 million.

Other Events

During the second quarter, LKQ acquired three businesses: the U.S. paint distribution business of Akzo Nobel Coatings Inc., a wheel refinishing business in Ohio, and an aftermarket parts distributor in Ohio.

On May 25, 2011 Standard & Poor's raised LKQ's corporate credit rating to BB+ from BB reflecting the Company's increasingly improved credit ratios.

The Company noted that on July 20, 2011 Robert M. Devlin retired from the Company's Board of Directors. Mr. Devlin had been a director since 2007.

Regarding Mr. Devlin's retirement, Mr. Donald F. Flynn, Chairman of the Board of Directors stated: "The Board of Directors wishes to acknowledge the significant contributions made by Bob during his tenure and thank him for his service. Bob's vast experience in the insurance industry and extensive career in management played a key role in LKQ's success and growth."

Company Outlook

The Company announced that it is revising earnings guidance for 2011. Income from continuing operations and diluted earnings per share from continuing operations are anticipated to be within the range of \$201 million to \$211 million and \$1.36 to \$1.42, respectively. LKQ's previous guidance was \$197 million to \$211 million for income from continuing operations, and \$1.33 to \$1.42 for diluted earnings per share.

In addition, the Company left unchanged its guidance of approximately \$195 million for cash flows from continuing operations, \$85-\$95 million in capital expenditures, and organic growth of 6-8% from parts and services revenue.

The Company noted that it does not include sales of scrap or cores in its definition of parts and services revenue. Additionally, all guidance comments exclude restructuring expenses and any gains or losses or capital expenditures related to acquisitions or divestitures.

Quarterly Conference Call

LKQ will host a conference call and Webcast on July 28, 2011 at 10:00 a.m. Eastern Time (9:00 a.m. Central Time) with members of senior management to discuss the Company's results.

To access the investor conference call, please dial (877) 407-0315. International access to the call may be obtained by dialing (201) 689-8501. The audio webcast can be accessed via the Company's website at www.lkqcorp.com in the Investor Relations section.

A replay of the conference call will be available by telephone at (877) 660-6853 or (201) 612-7415 for international calls. The telephone replay will require you to enter account: 286 #, conference ID: 374935 #. An online replay of the audio webcast will be available on the Company's website. Both formats of replay will be available through August 26, 2011. Please allow approximately two hours after the live presentation before attempting to access the replay.

About LKQ Corporation

LKQ Corporation is the largest nationwide provider of aftermarket and recycled collision replacement parts and refurbished collision replacement products such as wheels, bumper covers and lights, and a leading provider of mechanical replacement parts including remanufactured engines, all in connection with the repair of automobiles and other vehicles. LKQ also has operations in Canada, Mexico and Central America. LKQ operates more than 340 facilities, offering its customers a broad range of replacement systems, components and parts to repair automobiles and light, medium and heavy-duty trucks.

Forward Looking Statements

The statements in this press release that are not historical in nature are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements regarding our expectations, beliefs, hopes, intentions or strategies. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us. Actual events or results may differ materially from those expressed or implied in the forward looking statements as a result of various factors.

These factors include:

- uncertainty as to changes in U.S. general economic activity and the impact of these changes on the demand for our products and our ability to obtain financing for operations;
- fluctuations in the pricing of new original equipment manufacturer (“OEM”) replacement parts;
- the availability and cost of our inventory;
- variations in vehicle accident rates or miles driven;
- changes in state or federal laws or regulations affecting our business;
- changes in the types of replacement parts that insurance carriers will accept in the repair process;
- changes in the demand for our products and the supply of our inventory due to severity of weather and seasonality of weather patterns;
- increasing competition in the automotive parts industry;
- uncertainty as to the impact on our industry of any terrorist attacks or responses to terrorist attacks;
- our ability to operate within the limitations imposed by financing agreements;
- our ability to obtain financing on acceptable terms to finance our growth;
- declines in the values of our assets;
- fluctuations in fuel and other commodity prices;
- fluctuations in the prices of scrap metal and other metals;
- our ability to develop and implement the operational and financial systems needed to manage our operations;
- our ability to integrate and successfully operate acquired companies and any companies acquired in the future and the risks associated with these companies;
- claims by OEMs or others that attempt to restrict or eliminate the sale of aftermarket products;
- termination of business relationships with insurance companies that promote the use of our products;
- product liability claims by the end users of our products or claims by other parties who we have promised to indemnify for product liability matters;
- currency fluctuations in the U.S. dollar versus the Canadian dollar, the Mexican peso and the Taiwan dollar;
- instability in regions in which we operate, such as Mexico, that can affect our supply of certain products; and
- other risks that are described in our Form 10-K filed February 25, 2011 and in other reports filed by us from time to time with the Securities and Exchange Commission.

You should not place undue reliance on these forward-looking statements. All of these forward-looking statements are based on our expectations as of the date of this press release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Contact:

Joseph P. Boutross
Director, Investor Relations
(312) 621-2793

LKQ CORPORATION AND SUBSIDIARIES
Unaudited Consolidated Condensed Statements of Income
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue	\$759,684	\$584,681	\$1,546,332	\$1,188,197
Cost of goods sold	<u>437,448</u>	<u>323,415</u>	<u>880,450</u>	<u>643,641</u>
Gross margin	322,236	261,266	665,882	544,556
Facility and warehouse expenses	69,183	55,358	139,001	113,134
Distribution expenses	69,048	51,168	134,859	102,357
Selling, general and administrative expenses	91,395	75,679	181,156	150,766
Restructuring expenses	2,377	290	2,423	370
Depreciation and amortization	<u>11,747</u>	<u>9,162</u>	<u>22,586</u>	<u>18,391</u>
Operating income	78,486	69,609	185,857	159,538
Other expense (income):				
Interest expense, net	4,671	7,155	11,080	14,431
Loss on debt extinguishment	—	—	5,345	—
Other income, net	<u>(1,997)</u>	<u>(138)</u>	<u>(2,103)</u>	<u>(299)</u>
Total other expense, net	<u>2,674</u>	<u>7,017</u>	<u>14,322</u>	<u>14,132</u>
Income from continuing operations before provision for income taxes	75,812	62,592	171,535	145,406
Provision for income taxes	<u>29,106</u>	<u>24,686</u>	<u>66,647</u>	<u>55,517</u>
Income from continuing operations	46,706	37,906	104,888	89,889
Discontinued operations:				
Income from discontinued operations, net of taxes	—	—	—	224
Gain on sale of discontinued operations, net of taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,729</u>
Income from discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,953</u>
Net income	<u>\$ 46,706</u>	<u>\$ 37,906</u>	<u>\$ 104,888</u>	<u>\$ 91,842</u>
Basic earnings per share ⁽¹⁾ :				
Income from continuing operations	\$ 0.32	\$ 0.27	\$ 0.72	\$ 0.63
Income from discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>
Total	<u>\$ 0.32</u>	<u>\$ 0.27</u>	<u>\$ 0.72</u>	<u>\$ 0.64</u>
Diluted earnings per share ⁽¹⁾ :				
Income from continuing operations	\$ 0.32	\$ 0.26	\$ 0.71	\$ 0.62
Income from discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>
Total	<u>\$ 0.32</u>	<u>\$ 0.26</u>	<u>\$ 0.71</u>	<u>\$ 0.63</u>
Weighted average common shares outstanding:				
Basic	<u>145,917</u>	<u>142,842</u>	<u>145,765</u>	<u>142,520</u>
Diluted	<u>148,131</u>	<u>145,496</u>	<u>148,007</u>	<u>145,307</u>

⁽¹⁾ The sum of the individual earnings per share amounts may not equal the total due to rounding.

LKQ CORPORATION AND SUBSIDIARIES
Unaudited Consolidated Condensed Balance Sheets
(In thousands, except share and per share data)

	June 30, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and equivalents	\$ 42,256	\$ 95,689
Receivables, net	236,628	191,085
Inventory	556,541	492,688
Deferred income taxes	35,039	32,506
Prepaid income taxes	—	10,923
Prepaid expenses	19,912	13,985
Total Current Assets	<u>890,376</u>	<u>836,876</u>
Property and Equipment, net	358,443	331,312
Intangibles	1,131,723	1,102,275
Other Assets	37,172	29,046
Total Assets	<u>\$2,417,714</u>	<u>\$2,299,509</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 77,951	\$ 76,437
Accrued expenses	88,075	84,028
Income taxes payable	690	—
Deferred revenue	8,869	9,224
Current portion of long-term obligations	15,520	52,888
Liabilities of discontinued operations	2,364	2,744
Total Current Liabilities	193,469	225,321
Long-Term Obligations, Excluding Current Portion	570,841	548,066
Deferred Income Tax Liabilities	64,827	66,059
Other Noncurrent Liabilities	52,875	45,902
Commitments and Contingencies		
Stockholders' Equity:		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 146,170,800 and 145,466,575 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	1,462	1,455
Additional paid-in capital	885,555	869,798
Retained earnings	643,418	538,530
Accumulated other comprehensive income	5,267	4,378
Total Stockholders' Equity	<u>1,535,702</u>	<u>1,414,161</u>
Total Liabilities and Stockholders' Equity	<u>\$2,417,714</u>	<u>\$2,299,509</u>

LKQ CORPORATION AND SUBSIDIARIES
Unaudited Consolidated Condensed Statements of Cash Flows
(In thousands)

	Six Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 104,888	\$ 91,842
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,797	20,011
Stock-based compensation expense	6,602	5,112
Deferred income taxes	(6)	(1,097)
Excess tax benefit from share-based payments	(4,053)	(5,953)
Gain on sale of discontinued operations	—	(2,744)
Loss on debt extinguishment	5,345	—
Other	(498)	1,376
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Receivables	(24,769)	(1,484)
Inventory	(19,578)	(24,672)
Prepaid income taxes/income taxes payable	14,786	18,223
Accounts payable	(4,525)	(393)
Other operating assets and liabilities	(1,909)	970
Net cash provided by operating activities	<u>101,080</u>	<u>101,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(42,540)	(20,847)
Proceeds from sales of property and equipment	162	236
Proceeds from sale of businesses, net of cash sold	—	11,992
Cash used in acquisitions, net of cash acquired	(95,591)	(13,742)
Net cash used in investing activities	<u>(137,969)</u>	<u>(22,361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	5,109	5,136
Excess tax benefit from share-based payments	4,053	5,953
Debt issuance costs	(8,190)	—
Borrowings under line of credit	401,753	—
Repayments under line of credit	(74,328)	—
Borrowings under term loan	250,000	—
Repayments under term loans	(594,214)	(7,476)
Repayments of other long-term debt	(716)	(1,105)
Net cash (used in) provided by financing activities	<u>(16,533)</u>	<u>2,508</u>
Effect of exchange rate changes on cash and equivalents	(11)	233
Net (decrease) increase in cash and equivalents	(53,433)	81,571
Cash and equivalents, beginning of period	<u>95,689</u>	<u>108,906</u>
Cash and equivalents, end of period	<u>\$ 42,256</u>	<u>\$190,477</u>

LKQ CORPORATION AND SUBSIDIARIES
Unaudited Supplementary Data
(In thousands, except per share data)

<u>Operating Highlights</u>	Three Months Ended June 30,					
	2011		2010		Change	% Change
	\$	% of Revenue	\$	% of Revenue		
Revenue	\$759,684	100.0%	\$584,681	100.0%	\$175,003	29.9%
Cost of goods sold	<u>437,448</u>	<u>57.6%</u>	<u>323,415</u>	<u>55.3%</u>	<u>114,033</u>	35.3%
Gross margin	322,236	42.4%	261,266	44.7%	60,970	23.3%
Facility and warehouse expenses	69,183	9.1%	55,358	9.5%	13,825	25.0%
Distribution expenses	69,048	9.1%	51,168	8.8%	17,880	34.9%
Selling, general and administrative expenses	91,395	12.0%	75,679	12.9%	15,716	20.8%
Restructuring expenses	2,377	0.3%	290	0.0%	2,087	719.7%
Depreciation and amortization	<u>11,747</u>	<u>1.5%</u>	<u>9,162</u>	<u>1.6%</u>	<u>2,585</u>	28.2%
Operating income	78,486	10.3%	69,609	11.9%	8,877	12.8%
Other expense (income):						
Interest expense, net	4,671	0.6%	7,155	1.2%	(2,484)	-34.7%
Loss on debt extinguishment	—	0.0%	—	0.0%	—	n/m
Other income, net	<u>(1,997)</u>	<u>-0.3%</u>	<u>(138)</u>	<u>0.0%</u>	<u>(1,859)</u>	n/m
Total other expense, net	<u>2,674</u>	<u>0.4%</u>	<u>7,017</u>	<u>1.2%</u>	<u>(4,343)</u>	-61.9%
Income from continuing operations before provision for income taxes	75,812	10.0%	62,592	10.7%	13,220	21.1%
Provision for income taxes	<u>29,106</u>	<u>3.8%</u>	<u>24,686</u>	<u>4.2%</u>	<u>4,420</u>	17.9%
Income from continuing operations	46,706	6.1%	37,906	6.5%	8,800	23.2%
Discontinued operations:						
Income from discontinued operations, net of taxes	—	0.0%	—	0.0%	—	n/m
Gain on sale of discontinued operations, net of taxes	<u>—</u>	<u>0.0%</u>	<u>—</u>	<u>0.0%</u>	<u>—</u>	n/m
Income from discontinued operations	<u>—</u>	<u>0.0%</u>	<u>—</u>	<u>0.0%</u>	<u>—</u>	n/m
Net income	<u>\$ 46,706</u>	<u>6.1%</u>	<u>\$ 37,906</u>	<u>6.5%</u>	<u>\$ 8,800</u>	23.2%
Basic earnings per share ⁽¹⁾ :						
Income from continuing operations	\$ 0.32		\$ 0.27		\$ 0.05	18.5%
Income from discontinued operations	<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	n/m
Total	<u>\$ 0.32</u>		<u>\$ 0.27</u>		<u>\$ 0.05</u>	18.5%
Diluted earnings per share ⁽¹⁾ :						
Income from continuing operations	\$ 0.32		\$ 0.26		\$ 0.06	23.1%
Income from discontinued operations	<u>0.00</u>		<u>0.00</u>		<u>0.00</u>	n/m
Total	<u>\$ 0.32</u>		<u>\$ 0.26</u>		<u>\$ 0.06</u>	23.1%
Weighted average common shares outstanding:						
Basic	<u>145,917</u>		<u>142,842</u>		<u>3,075</u>	2.2%
Diluted	<u>148,131</u>		<u>145,496</u>		<u>2,635</u>	1.8%

⁽¹⁾ The sum of the individual earnings per share amounts may not equal the total due to rounding.

LKQ CORPORATION AND SUBSIDIARIES
Unaudited Supplementary Data
(In thousands, except per share data)

<u>Operating Highlights</u>	Six Months Ended June 30,					
	2011		2010		Change	% Change
		% of Revenue		% of Revenue		
Revenue	\$1,546,332	100.0%	\$1,188,197	100.0%	\$358,135	30.1%
Cost of goods sold	<u>880,450</u>	<u>56.9%</u>	<u>643,641</u>	<u>54.2%</u>	<u>236,809</u>	36.8%
Gross margin	665,882	43.1%	544,556	45.8%	121,326	22.3%
Facility and warehouse expenses	139,001	9.0%	113,134	9.5%	25,867	22.9%
Distribution expenses	134,859	8.7%	102,357	8.6%	32,502	31.8%
Selling, general and administrative expenses	181,156	11.7%	150,766	12.7%	30,390	20.2%
Restructuring expenses	2,423	0.2%	370	0.0%	2,053	554.9%
Depreciation and amortization	<u>22,586</u>	<u>1.5%</u>	<u>18,391</u>	<u>1.5%</u>	<u>4,195</u>	22.8%
Operating income	185,857	12.0%	159,538	13.4%	26,319	16.5%
Other expense (income):						
Interest expense, net	11,080	0.7%	14,431	1.2%	(3,351)	-23.2%
Loss on debt extinguishment	5,345	0.3%	—	0.0%	5,345	n/m
Other income, net	<u>(2,103)</u>	<u>-0.1%</u>	<u>(299)</u>	<u>0.0%</u>	<u>(1,804)</u>	n/m
Total other expense, net	<u>14,322</u>	<u>0.9%</u>	<u>14,132</u>	<u>1.2%</u>	<u>190</u>	1.3%
Income from continuing operations before provision for income taxes	171,535	11.1%	145,406	12.2%	26,129	18.0%
Provision for income taxes	<u>66,647</u>	<u>4.3%</u>	<u>55,517</u>	<u>4.7%</u>	<u>11,130</u>	20.0%
Income from continuing operations	104,888	6.8%	89,889	7.6%	14,999	16.7%
Discontinued operations:						
Income from discontinued operations, net of taxes	—	0.0%	224	0.0%	(224)	-100.0%
Gain on sale of discontinued operations, net of taxes	<u>—</u>	<u>0.0%</u>	<u>1,729</u>	<u>0.1%</u>	<u>(1,729)</u>	-100.0%
Income from discontinued operations	<u>—</u>	<u>0.0%</u>	<u>1,953</u>	<u>0.2%</u>	<u>(1,953)</u>	-100.0%
Net income	<u>\$ 104,888</u>	<u>6.8%</u>	<u>\$ 91,842</u>	<u>7.7%</u>	<u>\$ 13,046</u>	14.2%
Basic earnings per share ⁽¹⁾ :						
Income from continuing operations	\$ 0.72		\$ 0.63		\$ 0.09	14.3%
Income from discontinued operations	<u>0.00</u>		<u>0.01</u>		<u>(0.01)</u>	-100.0%
Total	<u>\$ 0.72</u>		<u>\$ 0.64</u>		<u>\$ 0.08</u>	12.5%
Diluted earnings per share ⁽¹⁾ :						
Income from continuing operations	\$ 0.71		\$ 0.62		\$ 0.09	14.5%
Income from discontinued operations	<u>0.00</u>		<u>0.01</u>		<u>(0.01)</u>	-100.0%
Total	<u>\$ 0.71</u>		<u>\$ 0.63</u>		<u>\$ 0.08</u>	12.7%
Weighted average common shares outstanding:						
Basic	<u>145,765</u>		<u>142,520</u>		<u>3,245</u>	2.3%
Diluted	<u>148,007</u>		<u>145,307</u>		<u>2,700</u>	1.9%

⁽¹⁾ The sum of the individual earnings per share amounts may not equal the total due to rounding.

The following unaudited table reconciles income from continuing operations to EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(In thousands)			
Income from continuing operations	\$46,706	\$37,906	\$104,888	\$ 89,889
Depreciation and amortization	12,871	10,031	24,797	20,011
Interest expense, net	4,671	7,155	11,080	14,431
Loss on debt extinguishment ⁽¹⁾	—	—	5,345	—
Provision for income taxes	<u>29,106</u>	<u>24,686</u>	<u>66,647</u>	<u>55,517</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations	<u>\$93,354</u>	<u>\$79,778</u>	<u>\$212,757</u>	<u>\$179,848</u>
EBITDA as a percentage of revenue	12.3%	13.6%	13.8%	15.1%

⁽¹⁾ Loss on debt extinguishment is considered a component of interest in calculating EBITDA, as the write-off of debt issuance costs is similar to the treatment of debt issuance cost amortization.

We provide a reconciliation of Income from Continuing Operations to EBITDA as we believe it offers investors, securities analysts and other interested parties useful information regarding our results of operations because it assists in analyzing our performance and the value of our business. EBITDA provides insight into our profitability trends, and allows management and investors to analyze our operating results with and without the impact of depreciation, amortization, interest and income tax expense. We believe EBITDA is used by securities analysts, investors, and other interested parties in evaluating companies, many of which present EBITDA when reporting their results. EBITDA should not be construed as an alternative to operating income, net income or net cash provided by (used in) operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report EBITDA information calculate EBITDA in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly named measures of other companies and may not be an appropriate measure for performance relative to other companies.

The following unaudited tables compare certain revenue categories:

	Three Months Ended June 30,		Change	% Change
	2011	2010		
	(In thousands)			
Included in Unaudited Consolidated Condensed Statements of Income of LKQ Corporation				
Aftermarket, other new and refurbished products	\$356,202	\$290,271	\$ 65,931	22.7%
Recycled, remanufactured and related products and services	<u>269,700</u>	<u>214,159</u>	<u>55,541</u>	25.9%
Parts and services	625,902	504,430	121,472	24.1%
Other	<u>133,782</u>	<u>80,251</u>	<u>53,531</u>	66.7%
Total	<u>\$759,684</u>	<u>\$584,681</u>	<u>\$175,003</u>	29.9%

Revenue changes by category for the three months ended June 30, 2011 vs. 2010:

	Revenue Change Attributable to:			% Change
	Acquisition	Organic	Foreign Exchange	
Aftermarket, other new and refurbished products	16.1%	6.4%	0.2%	22.7%
Recycled, remanufactured and related products and services	14.5%	11.0%	0.4%	25.9%
Parts and services	15.4%	8.4%	0.3%	24.1%
Other	30.1%	36.5%	0.1%	66.7%
Total	17.5%	12.2%	0.2%	29.9%

	Six Months Ended June 30,		Change	% Change
	2011	2010		
	(In thousands)			
Included in Unaudited Consolidated Condensed Statements of Income of LKQ Corporation				
Aftermarket, other new and refurbished products	\$ 737,318	\$ 602,644	\$134,674	22.3%
Recycled, remanufactured and related products and services	<u>545,482</u>	<u>429,382</u>	<u>116,100</u>	27.0%
Parts and services	1,282,800	1,032,026	250,774	24.3%
Other	<u>263,532</u>	<u>156,171</u>	<u>107,361</u>	68.7%
Total	<u>\$1,546,332</u>	<u>\$1,188,197</u>	<u>\$358,135</u>	30.1%

Revenue changes by category for the six months ended June 30, 2011 vs. 2010:

	Revenue Change Attributable to:			% Change
	Acquisition	Organic	Foreign Exchange	
Aftermarket, other new and refurbished products	13.9%	8.2%	0.2%	22.3%
Recycled, remanufactured and related products and services	15.8%	10.9%	0.3%	27.0%
Parts and services	14.7%	9.4%	0.2%	24.3%
Other	32.0%	36.6%	0.1%	68.7%
Total	17.0%	12.9%	0.2%	30.1%