

MONRO
MUFFLER/BRAKE

& Service

Forward Looking Information



Statements contained in these materials regarding Monro's expectations with respect to future operations and other information, which can be identified by the use of forward looking terminology, such as "may," "will," "expect," "project," "anticipate," "estimate" or "continue" or the negative thereof or variations thereon or comparable terminology, are forward looking statements. Several factors, including certain risks and uncertainties, could cause actual results to differ materially from results referred to in forward looking statements. There can be no assurance that Monro's expectations regarding any of these matters will be fulfilled.

Who We Are



Company Overview



- Largest chain of Company-operated undercar care facilities in the United States
- As of October 10, 2011, the Company operated 809 stores in 19 states



Geographic Presence



**MAINTAINING DOMINANCE
IN THE NORTHEASTERN U.S.**

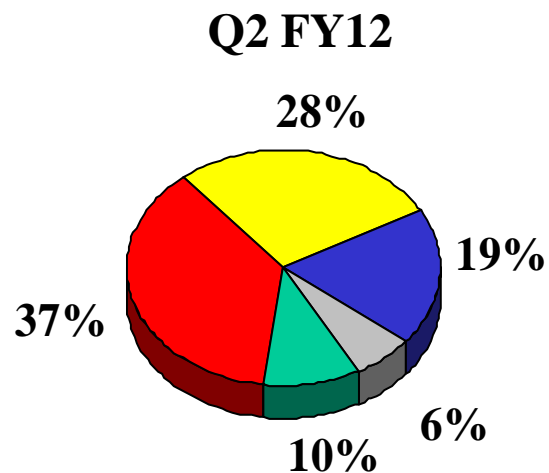
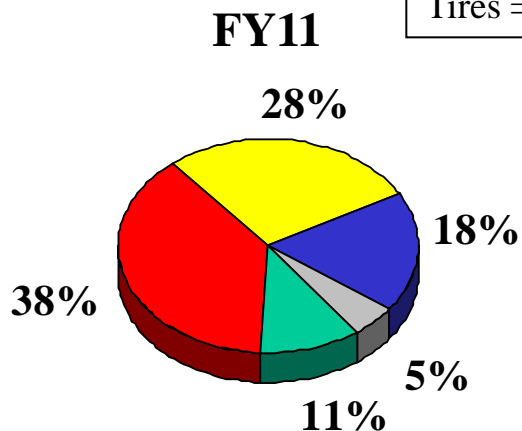
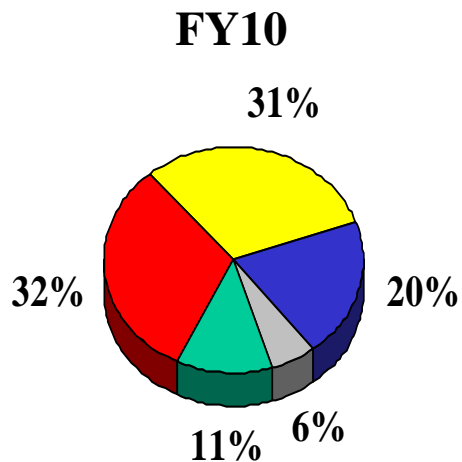


Service Mix



Gross Margin %

Brakes and Steering = +15
 Maintenance and Exhaust = baseline company margin
 Tires = -15



Brakes
 Exhaust
 Steering
 Maintenance*
 Tires

*Includes state inspections, lube, oil, filter, engine cooling service, scheduled maintenance and other.

Note: Monro's fiscal year end is March of each year.

Competitive Advantages



Operating Model

- Company-operated stores
 - Faster, Better, Cheaper
 - Centralized purchasing and distribution
 - Efficient marketing (database mailing and direct mail)
 - Superior customer service
- Pricing power and fixed cost leverage
 - Low cost operator

Competitive Advantages



Customer Value Proposition

- Mono establishes relationships with customers based on TRUST
- Direct marketing to customers fosters repeat business and long-term relationships
- Company-operated store model enhances customer experience through:
 - High standards of customer care
 - Lower turnover of store managers
 - Consistent execution
 - Investment in business
 - Significant discount vs. dealer prices
 - Store density provides more convenience
 - Best price guarantee

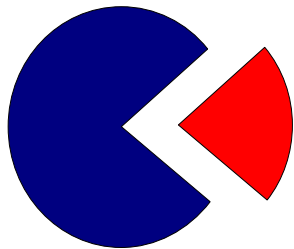
Industry Overview



Monro operates in \$158 billion “Do-It-For-Me” segment of \$202 billion U.S. automotive aftermarket industry

U.S. Automotive Aftermarket Industry

Do-It-For-Me:
 1999 - 74.3%
 2009 - 78.0%
 2012E - 80.0%



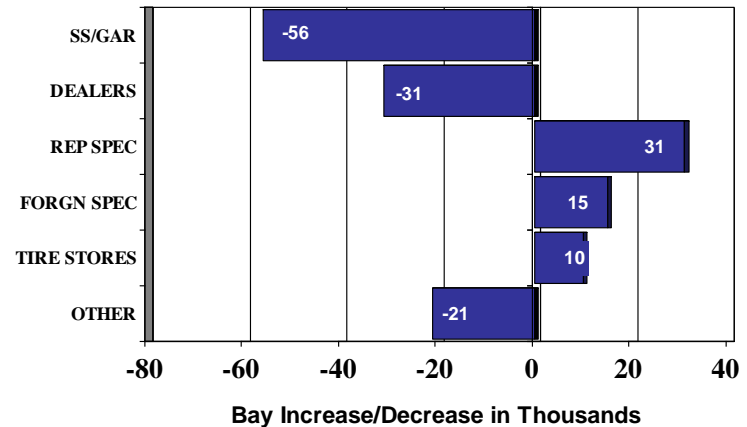
Do-It-Yourself:
 1999 - 25.7%
 2009 - 22.0%
 2012E - 20.0%

Total Bays / Mkt Share %

(000's)

	<u>2010</u>	<u>2008</u>
	350/29.6	338/28.3
	305/25.8	340/28.5
	211/17.8	199/16.7
	75/6.3	73/6.1
	126/10.6	125/10.5
	<u>117/ 9.9</u>	<u>119/9.9</u>
	1,184/100	1,194/100

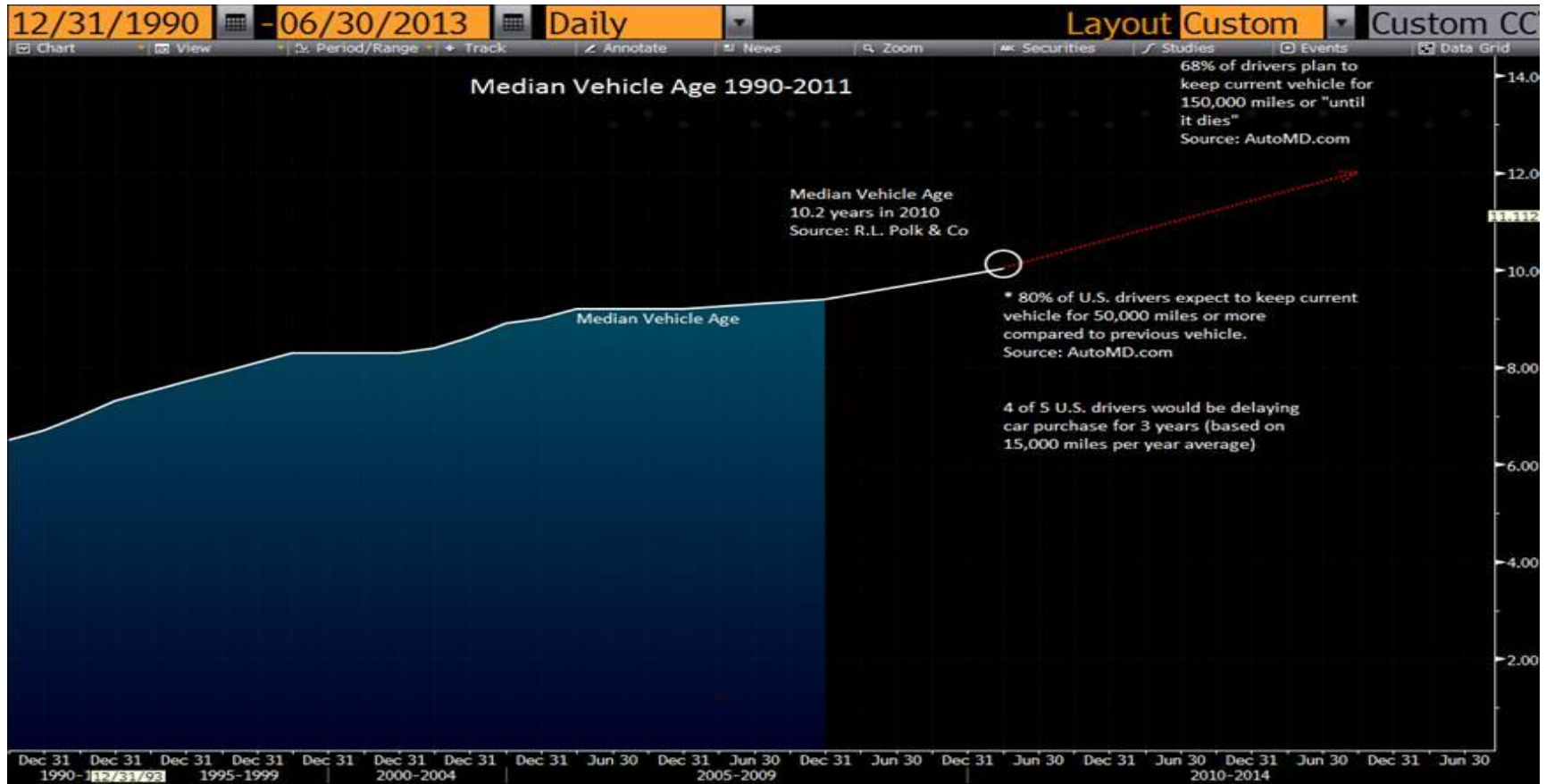
Service Bay Population Changes: 1999 – 2010



Source: 2010 Lang Report

Source: 2011 Lang Report

Vehicle Age



The rising average age of vehicles may shift consumer spending from new cars to aftermarket parts and maintenance. For about 55% of U.S. drivers, "the sky is the limit" for the mileage they plan to put on their primary vehicle, according to an AutoMD.com survey. Longer ownership cycles may dissipate pent-up demand for new cars.

--Bloomberg Industries
Auto Retail Stores Team

Favorable Industry Trends



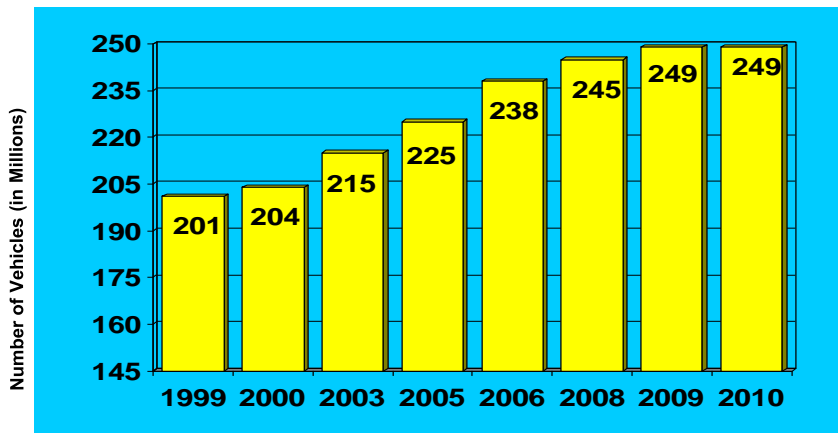
- Weak new car sales
- Increasing number of vehicles on road
- Increasing age of vehicles
- Number of vehicles age 4 - 12 years old increasing
- Significant average annual miles driven per vehicle
- Decreasing number of service outlets and bays
- Dealer consolidation and closures
- Increasing complexity of vehicles
- Favorable demographics
- Ability to raise prices

- Headwinds - Oil and tire cost of goods
 - High gas prices

Favorable Industry Trends

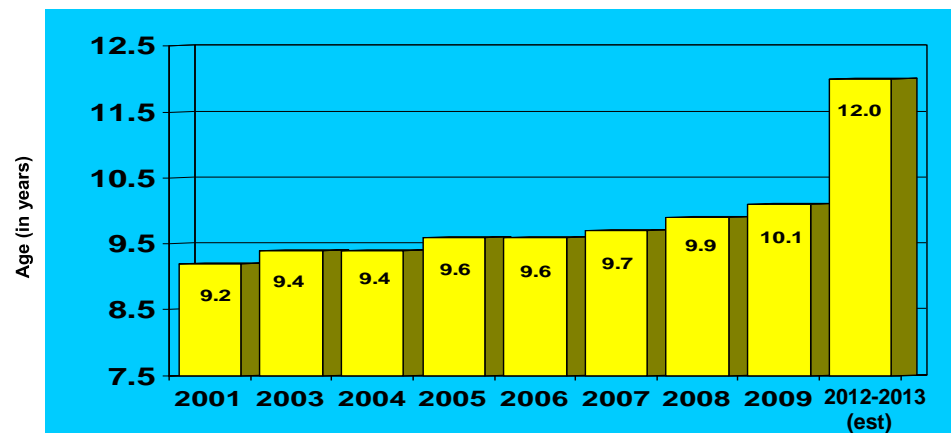


Cars and Light Trucks in Service



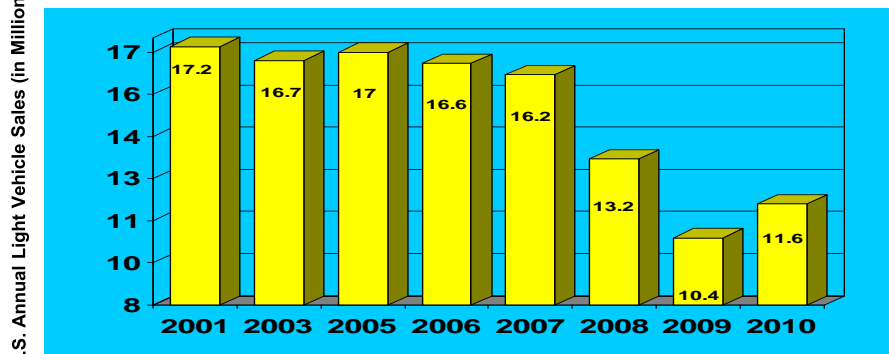
Source: APAA Aftermarket Factbook and Lang Report.

Average Age of Car and Light Truck on the Road



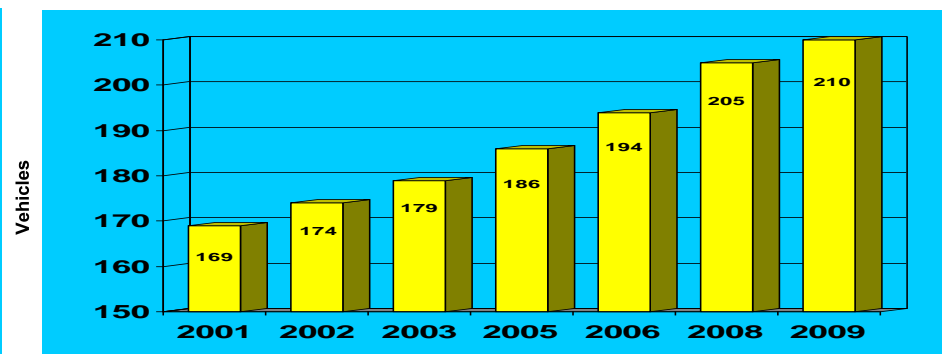
Source: April 2010 Lang Report.

U.S. Annual Light Vehicle Sales



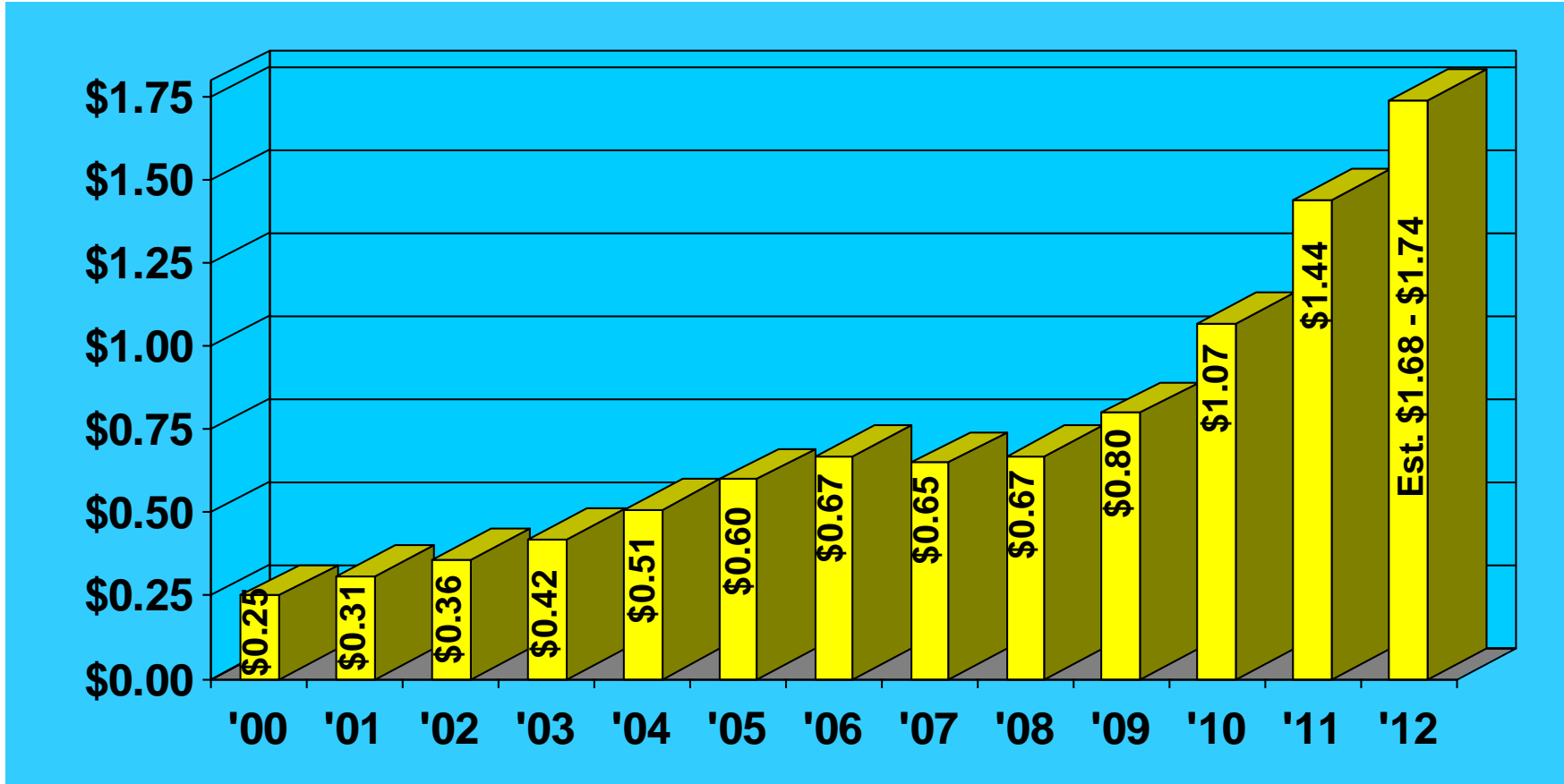
Source: 2011 Lang Report.

Vehicles per Service Bay



Source: 2010 Lang Report.

EPS Trends



% Change 192% 21% 17% 17% 22% 17% 12% (4)% 3% 20% 34% 35% 17%-21%

•Adjusted for three-for-two stock split paid to shareholders of record as of October 21, 2003, September 21, 2007 and December 13, 2010.

•Note: Monro's fiscal year end is March of each year.

Historical Financials



(Dollars in millions except per share data)	<u>2nd Quarter</u> <u>2012</u>	<u>2nd Quarter</u> <u>2011</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2009</u>
Sales	\$173.3	\$162.1	\$ 636.7	\$564.6	\$476.1
<i>Sales Growth (vs. prior year)</i>	6.9%	18.6%	12.8%	18.6%	8.4%
EBITDA	\$ 31.2	\$28.3	\$101.4	\$ 81.8	\$ 64.6
<i>EBITDA Margin</i>	18.0 %	17.5%	15.9%	14.5%	13.6%
Operating Income	\$25.2	\$22.7	\$ 78.4	\$ 59.2	\$ 43.7
<i>Operating Income Margin</i>	14.5%	14.0%	12.3%	10.5%	9.2%
Net Income	\$15.1	\$ 13.3	\$ 45.8	\$ 33.2	\$ 24.1
<i>Net Income Margin</i>	8.7%	8.2%	7.2%	5.9%	5.1%
EPS (Diluted)	\$.47	\$.42 *	\$ 1.44 *	\$ 1.07 *	\$.80 *
EPS Prior Year *	\$.42 *	\$.33 *	\$ 1.07*	\$.80 *	\$.67 *
Comparable Store Sales Growth	-0.8%	6.4%	4.2%	7.2%	6.7%

* Adjusted for three-for-two stock split paid to shareholders of record as of December 13, 2010

Balance Sheet Highlights



	2nd Quarter Ended September 24, <u>2011</u>	Fiscal Y/E March 26, <u>2011</u>
Current assets	\$138,038	\$ 128,783
Property, plant & equipment	202,532	200,596
Other	<u>155,757</u>	<u>122,461</u>
Total Assets	<u>\$496,327</u>	<u>\$ 451,840</u>
Current liabilities	\$104,135	\$ 109,440
Long-term debt	62,427	41,990
Other	<u>21,444</u>	<u>20,161</u>
Total Liabilities	188,006	171,591
Shareholders' equity	<u>308,321</u>	<u>280,249</u>
Total Liabilities and Shareholders' Equity	<u>\$496,327</u>	<u>\$ 451,840</u>
Debt-to-capital	18%	16%

Growth Strategy



- Increase market share through same store sales growth
 - Expand product offerings
- Acquire competitors cheaply
- Continue new store openings in existing markets
 - Approximately six stores per year

Acquisitions and Opportunities



Building Tire Store Category

- Combination of 16 acquisitions in the last ten years
 - 295 stores
 - \$326 million revenue
- Could have up to 1,200 tire stores and 1,200 service stores in our 19 states
 - Creates market dominance and pricing power
 - Diversifies risk
 - Expands pool of acquisition candidates at attractive prices
 - Concept unique and difficult for competitors to replicate
- Should afford opportunity to expand operating margins and further improve business model
 - Share inventory
 - Advertising, logistics, operations
 - Gross margins lower but SG&A absorption better

Acquisitions and Opportunities



Courthouse Tire (October 2010)

- 3 stores in Fredericksburg, Virginia
- 2009 sales \$5 million
- \$3 million asset purchase

Import/Export Tire (March 2010)

- 5 tire stores in Pittsburgh, Pennsylvania
- 2009 sales \$10 million
- \$6 million asset purchase

Tire Warehouse Centers (October 2009)

- 40 tire stores, 6 franchises in Massachusetts, New Hampshire, Vermont, Maine and Rhode Island
- 2008 sales \$53 million
- \$34 million asset purchase (includes real estate, 11 stores, 1 distribution center)

Midwest Tire (September 2009)

- 4 tire stores in NW Indiana
- 2008 sales \$6 million
- \$2 million asset purchase

Autotire Car Care Centers (June 2009)

- 26 tire stores in St. Louis, Missouri
- 2008 sales \$31 million
- \$10 million asset purchase

Vespia Tire Centers (June 2011)

- 24 stores in New Jersey and Eastern Pennsylvania
- 2010 Sales - \$36 million
- Slightly accretive in fiscal 2012

Terry's Tire town (October 2011)

- 7 stores in Ohio and Pennsylvania
- 2010 Sales - \$9 million
- Slightly accretive in first 12 months

FY12 Earnings Assumptions



- Earnings estimate for FY12: \$1.68 - \$1.74 vs \$1.44 in FY11
 - Q1 – FY12: \$.48 vs. \$.42 in FY11
 - Q2 – FY12: \$.47 vs. \$.42 in Q2 FY11
 - Q3 – FY12: \$.38 - \$.42 vs. \$.35 in Q3 FY11
- Comparable Store Sales increase of 1.0% to 2.0% (3.0% to 4.0% includes 53rd week) for FY12; Q1 FY12: 2.1%; Q2 FY12: -0.8%; Q3 FY12: 1.0% to 3.0%
- Gross Sales approximately \$690 million - \$705 million
- Operating Margin improvement of approximately 125 basis points
 - Depends upon sales and retail price increases
 - Depends on oil and tire cost
 - Leverage fixed occupancy costs (included in COS) against improved sales
 - Improve technician productivity (Sales per Man Hour)
 - Improvement in SG&A leverage due to increasing sales (acquisitions and comp stores)

FY12 Other Assumptions



- Interest Expense of \$5.5 million
- \$23 million depreciation and amortization
- EBITDA \$116 - \$120 million
- \$31 million of Cap-ex
 - \$19 million in maintenance cap-ex
 - \$7 million for new stores
 - \$5 million for headquarters expansion

FY12 Cash Flow Priorities



- Acquisitions
 - Same or contiguous markets
 - Buy right
 - Accretive to earnings in a reasonable timeframe
- Pay down debt

Investment Highlights



- Largest chain of Company-operated undercar care facilities in the United States
- Wide breadth of product and service offerings
- Superior customer service
- Favorable industry trends
- Leading market position in northeast and mid-Atlantic with a presence in 19 states
- Strong balance sheet and cash flow
- Low cost operator with superior operating margins
- Significant growth opportunity through store expansion and acquisitions
- 10 straight years of comparable store sales increases
- Five straight years of dividend increases