Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 1-5690

GENUINE PARTS COMPANY

(Exact name of registrant as specified in its charter)

Georgia	**58-0254510**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
2999 Circle 75 Parkway, Atlanta, Georgia	**30339**
(Address of principal executive offices)	*(Zip Code)*

770-953-1700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 30, 2008, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $6,228,135,000 based on the closing sale price as reported on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 13, 2009
Common Stock, $1 par value per share	159,442,764 shares

Specifically identified portions of the Company's 2008 Annual Report are incorporated by reference into Parts I and II of this Form 10-K and specifically identified portions of the Company's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on April 20, 2009 are incorporated by reference into Part III of this Form 10-K.

TABLE OF CONTENTS

PART I.

ITEM 1. *BUSINESS.*

Genuine Parts Company, a Georgia corporation incorporated on May 7, 1928, is a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials. In 2008, business was conducted throughout the United States, in Canada and in Mexico from approximately 2,000 locations. As used in this report, the "Company" refers to Genuine Parts Company and its subsidiaries, except as otherwise indicated by the context; and the terms "automotive parts" and "industrial parts" refer to replacement parts in each respective category.

Financial Information about Segments. For financial information regarding segments as well as our geographic areas of operation, refer to "Segment Data" and to Note 10 of Notes to Consolidated Financial Statements, in the Company's 2008 Annual Report, both of which are filed as part of Exhibit 13 to this report and both incorporated herein by reference.

Competition — General. The distribution business, which includes all segments of the Company's business, is highly competitive with the principal methods of competition being product quality, sufficiency of inventory, price and the ability to give the customer prompt and dependable service. The Company anticipates no decline in competition in any of its business segments in the foreseeable future.

Employees. As of December 31, 2008, the Company employed approximately 30,300 persons.

Available Information. The Company's internet website can be found at www.genpt.com. The Company makes available, free of charge through its internet website, access to the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statement and other reports, as amended, as soon as reasonably practicable after such material is filed with or furnished to the Securities and Exchange Commission ("SEC"). Additionally, our corporate governance guidelines, codes of conduct and ethics, and charters of the Audit Committee and the Compensation, Nominating and Governance Committee of our Board of Directors, as well as information regarding our director nominating process and our procedure for shareholders to communicate with our Board of Directors, are available on our website. We will furnish copies of all of the above information free of charge upon request to our Corporate Secretary.

In Part III of this Form 10-K, we incorporate certain information by reference to our proxy statement for our 2009 annual meeting of shareholders. We expect to file that proxy statement with the SEC on or about February 27, 2009, and we will make it available online at the same time at http://www.proxydocs.com/gpc. Please refer to the proxy statement when it is available.

AUTOMOTIVE PARTS GROUP

The Automotive Parts Group, the largest division of the Company, distributes automotive replacement parts and accessory items. The Company is the largest member, with approximately 95% ownership, of the National Automotive Parts Association ("NAPA"), a voluntary trade association formed in 1925 to provide nationwide distribution of automotive parts. In addition to over 380,000 available part numbers, the Company, in conjunction with NAPA, offers complete inventory, cataloging, marketing, training and other programs in the automotive aftermarket.

During 2008, the Company's Automotive Parts Group included NAPA automotive parts distribution centers and automotive parts stores ("auto parts stores" or "NAPA AUTO PARTSstores") owned and operated in the United States by the Company; NAPA and TRACTION automotive parts distribution centers and auto parts stores in the United States and Canada owned and operated by the Company and NAPA Canada/UAP Inc. ("NAPACanada/UAP"), a wholly-owned subsidiary of the Company; auto parts stores and distribution centers in the United States operated by corporations in which the Company owned either a minority or majority interest; auto parts stores in Canada operated by corporations in which UAP owns a 50% interest; distribution centers in the United States owned by Balkamp, Inc. ("Balkamp"), a majority-owned subsidiary of the Company; rebuilding and distribution plants in the United States owned by the Company and operated by its Rayloc division; and automotive parts distribution centers and automotive parts stores in Mexico, owned and operated by Grupo Auto Todo, S.A. de C.V. ("Auto Todo"), a wholly-owned subsidiary of the Company.

Effective January 1, 2008, the Company increased its ownership interest in Altrom Canada Corp. and Altrom America Corp. to 100%. At December 31, 2008, the import automotive parts distribution centers in Canada are operated by Altrom Canada Corp., a wholly-owned subsidiary of the Company, headquartered in Vancouver, British Columbia, Canada. The import automotive parts distribution centers in the United States are operated by Altrom America, a division of the Company.

During the first quarter of 2008, the Company sold all of its interests in Johnson Industries, a wholly-owned subsidiary that provided automotive supplies, primarily to large fleets and new car dealers.

The Company has a 15% interest in Mitchell Repair Information ("MRIC"), a subsidiary of Snap-on Incorporated. MRIC is a leading automotive diagnostic and repair information company with over 40,000 North American subscribers linked to its services and information databases. MRIC's core product, "Mitchell ON-DEMAND," is a premier electronic repair information source in the automotive aftermarket.

The Company's NAPA automotive parts distribution centers distribute replacement parts (other than body parts) for substantially all motor vehicle makes and models in service in the United States, including imported vehicles, trucks, SUVs, buses, motorcycles, recreational vehicles and farm vehicles. In addition, the Company distributes replacement parts for small engines, farm equipment and heavy duty equipment. The Company's inventories also include accessory items for such vehicles and equipment, and supply items used by a wide variety of customers in the automotive aftermarket, such as repair shops, service stations, fleet operators, automobile and truck dealers, leasing companies, bus and truck lines, mass merchandisers, farms, industrial concerns and individuals who perform their own maintenance and parts installation. Although the Company's domestic automotive operations purchase from more than 90 different suppliers, approximately 52% of 2008 automotive parts inventories were purchased from 10 major suppliers. Since 1931, the Company has had return privileges with most of its suppliers, which has protected the Company from inventory obsolescence.

Distribution System. In 2008, the Company operated 58 domestic NAPA automotive parts distribution centers located in 39 states and approximately 1,100 domestic company-owned NAPA AUTO PARTS stores located in 43 states. At December 31, 2008, Genuine Parts Company owned either a minority or majority interest in three corporations, which operated approximately 19 auto parts stores in three states, and a subsidiary corporation operating three distribution centers in three states.

NAPA Canada/UAP, founded in 1926, is a Canadian leader in the distribution and marketing of replacement parts and accessories for automobiles and trucks. NAPA Canada/UAP employs approximately 3,600 people and operates a network of 12 distribution centers and three branches supplying approximately 590 NAPA stores and 92 TRACTION wholesalers. TRACTION is a supplier of parts to small and large fleet owners and operators and, together with NAPA stores, is a significant supplier to the mining and forestry industries. These include approximately 208 company owned stores, 21 joint venture or progressive owners in which NAPA Canada/UAP owns a 50% interest and approximately 454 independently owned stores. NAPA and TRACTION operations supply bannered installers and independent installers in all provinces of Canada, as well as networks of service station and repair shops operating under the banners of national accounts. UAP is a licensee of the NAPA® name in Canada.

In Canada, Altrom Canada Corp. operates 15 import automotive parts distribution centers. In the United States, Altrom America operates two import automotive parts distribution centers.

In Mexico, Auto Todo owns and operates nine distribution centers, four auto parts stores and four tire centers. Auto Todo is a licensee of the NAPA® name in Mexico.

The Company's domestic distribution centers serve approximately 4,800 independently owned NAPA AUTO PARTS stores located throughout the market areas served in the United States. NAPA AUTO PARTS stores, in turn, sell to a wide variety of customers in the automotive aftermarket. Collectively, these independent automotive parts stores account for approximately 24% of the Company's total sales with no automotive parts store or group of automotive parts stores with individual or common ownership accounting for more than 0.25% of the total sales of the Company.

Products. Distribution centers have access to over 380,000 different parts and related supply items. Each item is cataloged and numbered for identification and accessibility. Significant inventories are carried to provide for fast and frequent deliveries to customers. Most orders are filled and shipped the same day as received. The majority of sales are on terms that require payment within 30 days of the statement date. The Company does not manufacture any of the products it distributes. The majority of products are distributed under the NAPA® name, a mark licensed to the Company by NAPA.

Related Operations. Balkamp distributes a wide variety of replacement parts and accessory items for passenger cars, heavy-duty vehicles, motorcycles and farm equipment. In addition, Balkamp distributes service items such as testing equipment, lubricating equipment, gauges, cleaning supplies, chemicals and supply items used by repair shops, fleets, farms and institutions. Balkamp packages many of the 43,000 products, which constitute the "Balkamp" line of products that are distributed to the members of NAPA. These products are categorized into over 220 different product groups purchased from approximately 600 domestic suppliers and 100 foreign manufacturers. In addition, Balkamp operates two Redistribution Centers that provide NAPA with over 1,000 SKUs of oils, chemicals and procurement items. BALKAMP®, a federally registered trademark, is important to the sales and marketing promotions of the Balkamp organization. Balkamp has four distribution centers located in Indianapolis and Plainfield, Indiana, Greenwood, Mississippi and West Jordan, Utah.

The Company, through its Rayloc division, also operates three facilities where certain small automotive parts are rebuilt or distributed to the members of NAPA under the NAPA® brand name. Rayloc® is a mark licensed to the Company by NAPA.

The Company's Heavy Vehicle Parts Group operates as TW Distribution, with one warehouse location in Atlanta, Georgia, which serves 18 Traction Heavy Duty parts stores, of which 13 are owned and located in the United States. This group distributes heavy vehicle parts through the NAPA system and direct to small fleet owners and operators.

Segment Data. In the year ended December 31, 2008, sales from the Automotive Parts Group were approximately 48% of the Company's net sales, as compared to 49% in 2007 and 2006.

Service to NAPA AUTO PARTS Stores The Company believes that the quality and the range of services provided to its automotive parts customers constitute a significant advantage for its automotive parts distribution system. Such services include fast and frequent delivery, obsolescence protection, parts cataloging (including the use of electronic NAPA AUTO PARTS catalogs) and stock adjustment through a continuing parts classification system which allows independent retailers ("jobbers") to return certain merchandise on a scheduled basis. The Company offers its NAPA AUTO PARTS store customers various management aids, marketing aids and service on topics such as inventory control, cost analysis, accounting procedures, group insurance and retirement benefit plans, as well as marketing conferences and seminars, sales and advertising manuals and training programs. Point of sale/inventory management is available through TAMS® (Total Automotive Management Systems), a computer system designed and developed by the Company for the NAPA AUTO PARTSstores.

In association with NAPA, the Company has developed and refined an inventory classification system to determine optimum distribution center and auto parts store inventory levels for automotive parts stocking based on automotive registrations, usage rates, production statistics, technological advances and other similar factors. This system, which undergoes continuous analytical review, is an integral part of the Company's inventory control procedures and comprises an important feature of the inventory management services that the Company makes available to its NAPA AUTO PARTS store customers. Over the last10 years, losses to the Company from obsolescence have been insignificant and the Company attributes this to the successful operation of its classification system, which involves product return privileges with most of its suppliers.

Competition. In the distribution of automotive parts, the Company competes with automobile manufacturers (some of which sell replacement parts for vehicles built by other manufacturers as well as those that they build themselves), automobile dealers, warehouse clubs and large automotive parts retail chains. In addition, the Company competes with the distributing outlets of parts manufacturers, oil companies, mass merchandisers, including national retail chains, and with other parts distributors and retailers.

NAPA. The Company is a member of the National Automotive Parts Association, a voluntary association formed in 1925 to provide nationwide distribution of automotive replacement parts. NAPA, which neither buys nor sells automotive parts, functions as a trade association whose members in 2008 operated 64 distribution centers located throughout the United States, 58 of which were owned and operated by the Company. NAPA develops marketing concepts and programs that may be used by its members. It is not involved in the chain of distribution.

Among the automotive lines that each NAPA member purchases and distributes are certain lines designated, cataloged, advertised and promoted as “NAPA” lines. The members are not required to purchase any specific quantity of parts so designated and may, and do, purchase competitive lines from other supply sources.

The Company and the other NAPA members use the federally registered trademark NAPA® as part of the trade name of their distribution centers and parts stores. The Company contributes to NAPA’s national advertising program, which is designed to increase public recognition of the NAPA name and to promote NAPA product lines.

The Company is a party, together with other members of NAPA and NAPA itself, to a consent decree entered by the Federal District Court in Detroit, Michigan, on May 4, 1954. The consent decree enjoins certain practices under the federal antitrust laws, including the use of exclusive agreements with manufacturers of automotive parts, allocation or division of territories among several NAPA members, fixing of prices or terms of sale for such parts among such members, and agreements to adhere to any uniform policy in selecting parts customers or determining the number and location of, or arrangements with, auto parts customers.

INDUSTRIAL PARTS GROUP

The Industrial Parts Group distributes industrial replacement parts and related supplies throughout the United States and Canada. This group distributes bearings, mechanical power transmission, industrial automation, hose, hydraulic and pneumatic components, industrial supplies and material handling products. The Industrial Parts Group continues to enhance communication and process activities through three distinct programs: motionindustries.com, an internet-based procurement system; MiSupplierConnect, a manufacturer communication and fulfillment system; and inMotion, an internal employee communication source and operational reporting system.

The Company distributes industrial parts in the United States through Motion Industries, Inc. (“Motion”), headquartered in Birmingham, Alabama. Motion is a wholly owned subsidiary of the Company. In Canada, industrial parts are distributed by Motion Industries (Canada), Inc. (“Motion Canada”), an operating group in the Company’s North American structure.

During 2008, Motion acquired the assets of Drago Supply Company with eight locations, Mill Supply Corporation with five locations, and Monroe Rubber and Plastic Supply with one location. All of the acquired companies are distributors of industrial parts and supplies in the United States.

As of December 31, 2008, the Industrial Parts Group served more than 100,000 customers in all types of industries located throughout the United States and Canada, including the food, forest products, primary metal, paper, mining, automotive, petrochemical and pharmaceutical industries.

Distribution System. In North America, the Industrial Parts Group operates 472 branches, 10 distribution centers and 36 service centers as of December 31, 2008. The distribution centers stock and distribute more than 80,000 different items purchased from more than 250 different suppliers. The service centers provide hydraulic, hose and mechanical repairs for customers. Approximately 44% of 2008 total industrial product purchases were made from 10 major suppliers. Sales are generated from the Industrial Parts Group’s branches located in 47 states, Puerto Rico, and, nine provinces in Canada. Each branch has warehouse facilities that stock significant amounts of inventory representative of the lines of products used by customers in the respective market area served.

Motion Canada operates two distribution centers for the 47 Canadian branches serving industrial and agricultural markets.

Products. The Industrial Parts Group distributes a wide variety of products to its customers, primarily industrial concerns, to maintain and operate plants, machinery and equipment. Products include such items as hoses, belts, bearings, pulleys, pumps, valves, chains, gears, sprockets, speed reducers and electric motors. The nature of this group's business demands the maintenance of large inventories and the ability to promptly meet demanding delivery requirements. Virtually all of the products distributed are installed by the customer. Most orders are filled immediately from existing stock and deliveries are normally made within 24 hours of receipt of order. The majority of all sales are on open account.

Supply Agreements. Non-exclusive distributor agreements are in effect with most of the Industrial Parts Group's suppliers. The terms of these agreements vary; however, it has been the experience of the Industrial Parts Group that the custom of the trade is to treat such agreements as continuing until breached by one party or until terminated by mutual consent. The Company has return privileges with most of its suppliers, which has protected the Company from inventory obsolescence.

Segment Data. In the year ended December 31, 2008, sales from the Company's Industrial Parts Group approximated 32% of the Company's net sales, as compared to 31% in 2007 and 30% in 2006.

Competition. The Industrial Parts Group competes with other distributors specializing in the distribution of such items, general line distributors and others who provide similar services. To a lesser extent, the Industrial Parts Group competes with manufacturers that sell directly to the customer.

OFFICE PRODUCTS GROUP

The Office Products Group, operated through S. P. Richards Company ("S. P. Richards"), a wholly owned subsidiary of the Company, is headquartered in Atlanta, Georgia. S. P. Richards is engaged in the wholesale distribution of a broad line of office and other business related products that are used in the daily operation of businesses, schools, offices and institutions. Office products fall into the general categories of computer supplies, imaging products, office furniture, office machines, general office products, school supplies, cleaning and breakroom supplies, and healthcare products.

The Office Products Group is represented in Canada through S. P. Richards Canada, a wholly-owned subsidiary of the Company, and is headquartered near Toronto, Ontario. S. P. Richards Canada services office product resellers throughout Canada from locations in Vancouver, Toronto, Calgary, Edmonton and Winnipeg.

In 2008, S. P. Richards acquired the assets of three regional distributors: O'Henry, Inc. in North Carolina; the midwest division of Action/Emco Wholesale in Grand Rapids, Michigan; and PPI Wholesale Office Supplies located in southern California. Action/Emco and O'Henry distribute general office supplies and furniture, and PPI Wholesale is engaged in the distribution of general office and school supplies.

Distribution System. The Office Products Group distributes more than 50,000 items to over 7,000 business product resellers throughout the United States and Canada from a network of 45 distribution centers. This network of strategically located distribution centers provides overnight delivery of the Company's comprehensive product offering. Approximately 55% of the Company's 2008 total office products purchases were made from 10 major suppliers.

The Office Products Group sells strictly to resellers of office products. These resellers include independently owned office product dealers, national office product superstores and mass merchants, large contract stationers, mail order companies, Internet resellers and college bookstores. Resellers are offered comprehensive marketing programs, which include print catalogs and flyers, electronic content for reseller websites, and education and training resources.

Products. The Office Products Group distributes computer supplies including storage media, printer supplies and computer accessories; office furniture including desks, credenzas, chairs, chair mats, partitions, files and computer furniture; office machines including telephones, answering machines, calculators, fax machines, multi-function copiers, printers, digital cameras, laminators and shredders; general office supplies including desk accessories, business forms, accounting supplies, binders, filing supplies, report covers, writing instruments, envelopes, note pads, copy paper, mailroom supplies, drafting supplies and audiovisual supplies; school supplies including bulletin boards, teaching aids and art supplies; healthcare products; janitorial supplies including cleaning supplies, paper towels and trash can liners; and breakroom supplies including napkins, utensils, snacks and beverages. S. P. Richards has return privileges with most of its suppliers, which has protected the Company from inventory obsolescence.

While the Company's inventory includes products from over 400 of the industry's leading manufacturers worldwide, S. P. Richards also markets nine proprietary brands of items. These brands include: SPARCO®, an economical line of office supply basics; Compucessorytm, a line of computer accessories; Lorell, a line of office furniture; NATURE SAVER®, an offering of recycled products; Elite Imagetm, a line of new and remanufactured toner cartridges, premium papers and labels; Integra, a line of writing instruments; Genuine Joe, a line of cleaning and breakroom products; and Atlantic Breeze and Heat Runner, two lines of climate control products.

Segment Data. In each of the years ended December 31, 2008 and 2007, sales from the Company's Office Products Group were approximately 16% of the Company's net sales, as compared to 17% in 2006.

Competition. In the distribution of office supplies to retail dealers, S. P. Richards competes with many other wholesale distributors as well as with certain manufacturers of office products.

ELECTRICAL/ELECTRONIC MATERIALS GROUP

The Electrical/Electronic Materials Group was formed on July 1, 1998 through the acquisition of EIS, Inc. ("EIS") headquartered in Atlanta, Georgia. This Group distributes materials to more than 20,000 electrical and electronic manufacturers in North America. With 33 branch locations in the United States, Puerto Rico, the Dominican Republic, Mexico and Canada, this Group distributes over 100,000 items, from insulating and conductive materials to assembly tools and test equipment. EIS also has three manufacturing facilities that provide custom fabricated parts.

During 2008, EIS acquired the assets of C.H. Clowers Supply Company, an electrical distribution company, with one location in Pine Bluff, Arkansas. Clowers is a complementary acquisition, which enhances the ability of EIS to distribute materials in the state of Arkansas.

Distribution System. The Electrical/Electronic Materials Group provides distribution services to original equipment manufacturers, motor repair shops and assembly markets. EIS actively utilizes its E-commerce Internet site to present its products to customers while allowing these on-line visitors to conveniently purchase from a large product assortment.

Electrical and electronic products are distributed from warehouse locations in major user markets throughout the United States, as well as in Mexico and Canada. The Company has return privileges with some of its suppliers, which has protected the Company from inventory obsolescence.

Products. The Electrical/Electronic Materials Group distributes a wide variety of products to customers from over 350 vendors. These products include custom fabricated flexible materials that are used as components within a customer's manufactured finished product in a variety of market segments. Among the products distributed and fabricated are such items as magnet wire, conductive materials, insulating and shielding materials, assembly tools, test equipment, adhesives and chemicals, pressure sensitive tapes, solder, anti-static products and thermal management products. To meet the prompt delivery demands of its customers, this Group maintains large inventories. The majority of sales are on open account. Approximately 45% of 2008 total Electrical/Electronic Materials Group purchases were made from 10 major suppliers.

Integrated Supply. The Electrical/Electronic Materials Group's integrated supply programs are a part of the marketing strategy, as a greater number of customers — especially national accounts — are given the opportunity to participate in this low-cost, high-service capability. The Group developed AIMS (Advanced Inventory Management System), a totally integrated, highly automated solution for inventory management. The Group's Integrated Supply offering also includes SupplyPro, an electronic vending dispenser used to eliminate costly tool cribs, or in-house stores, at customer warehouse facilities.

Segment Data. In each of the years ended December 31, 2008, 2007 and 2006, sales from the Company's Electrical/Electronic Materials Group approximated 4% of the Company's net sales.

Competition. The Electrical/Electronic Materials Group competes with other distributors specializing in the distribution of electrical and electronic products, general line distributors and, to a lesser extent, manufacturers that sell directly to customers.

ITEM 1A. *RISK FACTORS.*

Set forth below are some risks and uncertainties that, if they were to occur, could materially and adversely affect our business or could cause our actual results to differ materially from the results contemplated by the forward-looking statements in this report and in the other public statements we make. Our forward-looking statements may relate, for example, to our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. While we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements, due in part to the risk factors below.

Forward-looking statements made herein, as well as in materials we file with the SEC or otherwise release to the public, including materials that we make available on our website and verbal statements made by senior officers to analysts, investors, the media and others, are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You areadvised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-Q, 10-K, 8-K and other reports to the SEC.

We Depend On Our Relationships with Our Vendors, and a Disruption of Our Vendor Relationships or a Disruption in Our Vendors' Operations Could Harm Our Business

As a distributor of automotive replacement parts, industrial parts, office products and electrical/electronic materials, our business depends on developing and maintaining close and productive relationships with our vendors. We depend on our vendors to sell us quality products at favorable prices. Many factors outside our control may harm our relationships with our vendors. For example, financial or operational difficulties with a vendor could cause that vendor to increase the cost of the products we purchase from it. Vendor consolidation could also limit the number of suppliers from which we may purchase products and could materially affect the prices we pay for these products. Also, consolidation among automotive parts or industrial parts and office product suppliers could disrupt our relationship with some vendors. In our automotive business, the number of vendors could decrease considerably, and the prices charged to us by the remaining vendors could increase, as vehicle production slows due to the decline in consumer spending and, possibly, the failure of one or more of the large automobile manufacturers. We would suffer an adverse impact if our vendors limit or cancel the return privileges that currently protect us from inventory obsolescence. A disruption of our vendor relationships or a disruption in our vendors' operations could have a material adverse effect on our business and results of operations.

Our Business Likely Will Continue To Be Impacted By Declining Economic Conditions

Our business and results of operations may continue to be adversely impacted by declining global, national and local economic conditions and their impact on levels of consumer, commercial and industrial spending. These economic conditions have deteriorated significantly in recent months. Some of the factors that have contributed to recent reduced levels of spending include conditions in the residential real estate and mortgage markets, conditions in the automobile industry, increases in fuel and other energy costs, labor and healthcare costs, access to credit, high unemployment rates, declining consumer confidence and other macroeconomic factors. These factors had a material adverse effect on demand for the Company's products and services and on the Company's financial condition and operating results in the fourth quarter of 2008. The current difficult economic climate is not expected to improve significantly in the near term, and the resulting low levels of consumer, commercial and industrial spending could continue to result in weakened demand for the products of all of our business groups for the foreseeable future.

Our Business Will Be Adversely Affected If Demand for Our Products Slows

Our business depends on customer demand for the products that we distribute. Demand for these products depends on many factors.

With respect to our automotive group, the primary factors are:

- the number of miles vehicles are driven annually, as higher vehicle mileage increases the need for maintenance and repair;
- the quality of the vehicles manufactured by the original vehicle manufacturers and the length of the warranty or maintenance offered on new vehicles;
- the number of vehicles in current service that are six years old and older, as these vehicles are typically no longer under the original vehicle manufacturers' warranty and will need more maintenance and repair than newer vehicles;
- gas prices, as increases in gas prices may deter consumers from using their vehicles;
- changes in travel patterns which may cause consumers to rely more on other transportation;
- restrictions on access to diagnostic tools and repair information imposed by the original vehicle manufacturers or by governmental regulation, as consumers may be forced to have all diagnostic work, repairs and maintenance performed by the vehicle manufacturers' dealer networks; and
- the economy generally.

With respect to our industrial parts group, the primary factors are:

- the level of industrial production and manufacturing capacity utilization, as these indices impact the need for industrial replacement parts;
- changes in the level of the Institute for Supply Management's Purchasing Managers Index, as an index reading of 50 or more implies an expanding manufacturing economy, while a reading below 50 implies contracting manufacturing economy; and
- the economy in general.

With respect to our office products group, the primary factors are :

- the level of unemployment especially as it relates to white collar and service jobs, as this impacts the need for business products; and
- the economy in general.

With respect to our electrical/electronic materials group, the primary factors are:

- changes in the level of the Institute for Supply Management's Purchasing Managers Index, as an index reading of 50 or more implies an expanding manufacturing economy, while a reading below 50 implies contracting manufacturing economy; and
- the economy in general.

We face Substantial Competition in the Industries in Which We Do Business

The sale of automotive and industrial parts, office products and electronic materials is highly competitive and impacted by many factors including name recognition, product availability, customer service, anticipating changing customer preferences, store location, and pricing pressures. Because we seek to offer competitive prices, if our competitors reduce their prices, we may be forced to reduce our prices, which could result in a material decline in our revenues and earnings. Increased competition among distributors of automotive and industrial parts, office products and electronic materials, including internet-related initiatives, could cause a material adverse effect on our results of operations.

In particular, the market for replacement automotive parts is highly competitive and subjects us to a wide variety of competitors. We compete primarily with national and regional auto parts chains, independently owned regional and local automotive parts and accessories stores, automobile dealers that supply manufacturer replacement parts and accessories, mass merchandisers and wholesale clubs that sell automotive products and regional and local full service automotive repair shops. If we are unable to continue to develop successful competitive strategies, including internet related initiatives, or if our competitors develop more effective strategies, we could lose customers and our sales and profits may decline.

The Impairment of Financial Institutions Could Adversely Affect Us

The capital and credit markets have been experiencing volatility and disruption for more than twelve months. In the past several months, volatility and disruptions have increased and recently reached unprecedented levels. We have exposure to counterparties with which we routinely execute transactions. Such counterparties include commercial banks, insurance companies, investment funds and other financial institutions, some of which may be exposed to bankruptcy or liquidity risks. While we have not realized any significant losses to date, a bankruptcy or illiquidity event by one of our significant counterparties could materially and adversely affect our access to capital, future business and results of operations.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*.

Not applicable.

ITEM 2. *PROPERTIES*.

The Company’s headquarters and Automotive Parts Group headquarters are located in two adjacent office buildings owned by the Company in Atlanta, Georgia.

The Company’s Automotive Parts Group currently operates 58 NAPA Distribution Centers in the United States distributed among eight geographic divisions. Approximately 90% of the distribution center properties are owned by the Company. At December 31, 2008, the Company operated approximately 1,100 NAPA AUTO PARTS stores located in 43 states, and theCompany owned either a minority or majority interest in approximately 19 additional auto parts stores and three distribution centers located in six states. Other than NAPA AUTO PARTS stores located within Company owned distribution centers, the majority of the automotive parts stores in which the Company has an ownership interest were operated in leased facilities. In addition, NAPA Canada/UAP operates 12 distribution centers and approximately 229 automotive parts and TRACTION stores in Canada, and Auto Todo operates nine distribution centers and eight stores and tire centers in Mexico. These operations are operated in leased facilities.

The Company’s Automotive Parts Group also operates four Balkamp distribution centers, one Rayloc rebuilding and distribution facility and two transfer and shipping facilities. Finally, Altrom Canada operates 15 import parts distribution centers, Altrom America operates two import parts distribution centers and the Heavy Vehicle Parts Group operates one TW distribution center, which serves 18 Traction stores of which 13 are company owned and located in the US. These operations are operated in leased facilities.

The Company’s Industrial Parts Group, operating through Motion and Motion Canada, operates 10 distribution centers, 36 service centers and 472 branches. Approximately 90% of these branches are operated in leased facilities.

The Company’s Office Products Group operates 40 facilities in the United States and five facilities in Canada distributed among the Group’s five geographic divisions. Approximately 75% of these facilities are operated in leased buildings.

The Company’s Electrical/Electronic Materials Group operates in 30 locations in the United States, one location in Puerto Rico, one location in the Dominican Republic, three locations in Mexico and one location in Canada. All of this Group’s 36 facilities are operated in leased buildings except one facility, which is owned.

For additional information regarding rental expense on leased properties, see Note 4 of Notes to Consolidated Financial Statements on the Company’s 2008 Annual Report.

ITEM 3. ***LEGAL PROCEEDINGS.***

The Company is subject to various legal and governmental proceedings, many involving routine litigation incidental to the businesses, including approximately 1,500 product liability lawsuits resulting from its national distribution of automotive parts and supplies. Many of these involve claims of personal injury allegedly resulting from the use of automotive parts distributed by the Company. While litigation of any type contains an element of uncertainty, the Company believes that its defense and ultimate resolution of pending and reasonably anticipated claims will continue to occur within the ordinary course of the Company's business and that resolution of these claims will not have a material adverse effect on the Company's business, results of operations or financial condition.

ITEM 4. ***SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.***

Not applicable.

PART II.

ITEM 5. ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.***

Market Information Regarding Common Stock

Certain information required by this item is set forth under the heading "Market Price and Dividend Information" in the Company's 2008 Annual Report and is incorporated herein by reference.

Sales of Unregistered Securities

All of our sales of securities in 2008 were registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

The following table provides information about the purchases of shares of the Company's common stock during the three month period ended December 31, 2008:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
October 1, 2008 through October 31, 2008	1,121,821	$ 36.31	1,121,821	3,639,830
November 1, 2008 through November 30, 2008	109,410	$ 36.02	94,100	18,545,730
December 1, 2008 through December 31, 2008	23,241	$ 37.49	1,000	18,544,730
Totals	1,254,472	$ 36.31	1,216,921	18,544,730

(1) Includes shares surrendered by employees to the Company to satisfy tax withholding obligations in connection with the vesting of shares of restricted stock, the exercise of stock options and/or tax withholding obligations.

(2) On August 21, 2006 and November 17, 2008, the Board of Directors authorized the repurchase of 15 million shares and 15 million shares, respectively, and such repurchase plans were announced on August 21, 2006 and November 17, 2008, respectively. The authorization for these repurchase plans continues until all such shares have been repurchased, or the repurchase plan is terminated by action of the Board of Directors. Approximately 3.5 million shares authorized in the repurchase plan announced in 2006 remain to be repurchased by the Company. There were no other publicly announced plans outstanding as of December 31, 2008.

ITEM 6. ***SELECTED FINANCIAL DATA.***

Information required by this item is set forth under the heading "Selected Financial Data" in the Company's 2008 Annual Report and is incorporated herein by reference.

ITEM 7. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.***

Information required by this item is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2008 Annual Report and is incorporated herein by reference.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.***

Information related to this item is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 3 of Notes to Consolidated Financial Statements in the Company's 2008 Annual Report and is incorporated herein by reference.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.***

Information required by this item is set forth in Consolidated Financial Statements, Notes to Consolidated Financial Statements, "Report of Independent Registered Public Accounting Firm on the Financial Statements" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting" and under the heading "Quarterly Results of Operations" in the Company's 2008 Annual Report and is incorporated herein by reference.

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.***

None.

ITEM 9A. ***CONTROLS AND PROCEDURES.***

Management's conclusion regarding the effectiveness of disclosure controls and procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the Company's disclosure controls and procedures, as such term is defined in SEC Rule 13a-15(e). Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report, to provide reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Management's report on internal control over financial reporting

A report of management's assessment of our internal control over financial reporting as of December 31, 2008 is set forth under the heading "Management's Report on Internal Control over Financial Reporting" in the Company's 2008 Annual Report and is incorporated herein by reference.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting during the Company's fourth fiscal quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. ***OTHER INFORMATION.***

None.

PART III.

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.***

EXECUTIVE OFFICERS OF THE COMPANY.

Executive officers of the Company are elected by the Board of Directors and each serves at the pleasure of the Board of Directors until his successor has been elected and qualified, or until his earlier death, resignation, removal, retirement or disqualification. The current executive officers of the Company are:

Thomas C. Gallagher, age 61, has been President of the Company since 1990, Chief Executive Officer since August 2004 and Chairman of the Board since February 2005. Mr. Gallagher served as Chief Operating Officer of the Company from 1990 until August 2004.

Jerry W. Nix, age 63, was appointed as a director of the Company and elected Vice-Chairman by the Board of Directors in November 2005. He is Executive Vice President-Finance and Chief Financial Officer of the Company, a position he has held since 2000. Previously, Mr. Nix held the position of Senior Vice President-Finance from 1990 to 2000.

Robert J. Susor, age 63, has been the Executive Vice President of the Company since 2003. Mr. Susor previously served as Senior Vice President-Market Development from 1991 to 2003.

Paul D. Donahue, age 52, was appointed Executive Vice President of the Company in August 2007. Previously, Mr. Donahue was President and Chief Operating Officer of S.P. Richards Company from 2004 to 2007 and was Executive Vice President — Sales and Marketing in 2003, the year he joined the Company. Prior to S. P. Richards, Mr. Donahue was President of Sanford North America, a division of Newell Rubbermaid, from 1999 to 2002.

Larry R. Samuelson, age 62, was appointed President of the Automotive Parts Group in January 2004. Mr. Samuelson previously served as President, Chief Operating Officer and Chief Executive Officer of NAPA Canada/UAP Inc. from February 2000 to January 2004.

Further information required by this item is set forth under the heading “Nominees for Director”, under the heading “Corporate Governance — Code of Conduct and Ethics”, under the heading “Corporate Governance -Board Committees-Audit Committee”, and under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” of the Proxy Statement and is incorporated herein by reference.

ITEM 11. ***EXECUTIVE COMPENSATION.***

Information required by this item is set forth under the headings “Executive Compensation”, “Additional Information Regarding Executive Compensation”, “2008 Summary Compensation”, “2008 Grants of Plan-Based Awards”, “2008 Outstanding Equity Awards at Fiscal Year-End”, “2008 Option Exercises and Stock Vested”, “2008 Pension Benefits”, “2008 Nonqualified Deferred Compensation”, “Post Termination Payments and Benefits”, “Compensation, Nominating and Governance Committee Report”, “Compensation, Nominating and Governance Committee Interlocks and Insider Participation”, and “Audit Committee Report” of the Proxy Statement. All such information in the Proxy Statement is incorporated herein by reference, except that the information contained in the Proxy Statement under the heading “Compensation, Nominating and Governance Committee Report” or under the heading “Audit Committee Report” is specifically not so incorporated herein by reference.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.***

Certain information required by this item is set forth below. Additional information required by this item is set forth under the headings "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" of the Proxy Statement and is incorporated herein by reference.

Equity Compensation Plan Information

The following table gives information as of December 31, 2008 about the common stock that may be issued under all of the Company's existing equity compensation plans:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Shareholders:	175,912(2)	$ 30.25	-0-
	4,543,464(3)	$ 36.85	-0-
	2,751,513(4)	$ 42.31	5,169,837(6)
Equity Compensation Plans Not Approved by Shareholders:	51,186(5)	n/a	939,394
Total	7,522,075	—	6,109,231

(1) Reflects the maximum number of shares issuable pursuant to the exercise or conversion of stock options, stock appreciation rights, restricted stock units and common stock equivalents. The actual number of shares issued upon exercise of stock appreciation rights is calculated based on the excess of fair market value of our common stock on date of exercise and the grant price of the stock appreciation rights.

(2) Genuine Parts Company 1992 Stock Option and Incentive Plan, as amended

(3) Genuine Parts Company 1999 Long-Term Incentive Plan, as amended

(4) Genuine Parts Company 2006 Long-Term Incentive Plan

(5) Genuine Parts Company Director's Deferred Compensation Plan, as amended

(6) All of these shares are available for issuance pursuant to grants of full-value stock awards.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.***

Information required by this item is set forth under the headings "Corporate Governance — Independent Directors" and "Transactions with Related Persons" of the Proxy Statement and is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES.***

Information required by this item is set forth under the heading "Proposal 2. Ratification of Selection of Independent Auditors" of the Proxy Statement and is incorporated herein by reference.

PART IV.

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.*

(a) Documents filed as part of this report

(1) Financial Statements

The following consolidated financial statements of Genuine Parts Company and subsidiaries and related reports of the Company's independent registered public accounting firm, included in the Annual Report, are incorporated herein by reference.

Report of independent registered public accounting firm on internal control over financial reporting

Report of independent registered public accounting firm on the financial statements

Consolidated balance sheets — December 31, 2008 and 2007

Consolidated statements of income — Years ended December 31, 2008, 2007 and 2006

Consolidated statements of shareholders' equity — Years ended December 31, 2008, 2007 and 2006

Consolidated statements of cash flows — Years ended December 31, 2008, 2007 and 2006

Notes to consolidated financial statements — December 31, 2008

(2) Financial Statement Schedules

The following consolidated financial statement schedule of Genuine Parts Company and subsidiaries, set forth immediately following the signature page of this report, is filed pursuant to Item 15(c):

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) Exhibits.

The following exhibits are filed as part of or incorporated by reference in this report. Exhibits that are incorporated by reference to documents filed previously by the Company under the Securities Exchange Act of 1934, as amended, are filed with the Securities and Exchange Commission under File No. 1-5690. The Company will furnish a copy of any exhibit upon request to the Company's Corporate Secretary.

Exhibit 3.1	Amended and Restated Articles of Incorporation of the Company, as amended April 23, 2007. (Incorporated herein by reference from the Company's Current Report on Form 8-K, dated April 23, 2007.)
Exhibit 3.2	By-laws of the Company, as amended and restated August 20, 2007. (Incorporated herein by reference from the Company's Current Report on Form 8-K, dated August 20, 2007.)
Exhibit 4.2	Specimen Common Stock Certificate. (Incorporated herein by reference from the Company's Registration Statement on Form S-1, Registration No. 33-63874.)
Exhibit 4.3	Note Purchase Agreement, dated November 30, 2001, for the sale of Series A Senior Notes due November 30, 2008, and the sale of Series B Senior Notes due November 30, 2011. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2002.)

Instruments with respect to long-term debt where the total amount of securities authorized there under does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis have not been filed. The Registrant agrees to furnish to the Commission a copy of each such instrument upon request.

Exhibit 10.1*	Form of Amendment to Deferred Compensation Agreement, adopted February 13, 1989, between the Company and certain executive officers of the Company. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 15, 1989.)

Exhibit 10.2*	1992 Stock Option and Incentive Plan, effective April 20, 1992. (Incorporated herein by reference from the Company's Annual Meeting Proxy Statement, dated March 6, 1992.)
Exhibit 10.3*	The Genuine Parts Company Tax-Deferred Savings Plan, effective January 1, 1993. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 3, 1995.)
Exhibit 10.4*	Amendment No. 1 to the Genuine Parts Company Tax-Deferred Savings Plan, dated June 1, 1996, effective June 1, 1996. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2005.)
Exhibit 10.5*	Genuine Parts Company Death Benefit Plan, effective July 15, 1997. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 10, 1998.)
Exhibit 10.6*	Restricted Stock Agreement dated February 25, 1999, between the Company and Thomas C. Gallagher. (Incorporated herein by reference from the Company's Form 10-Q, dated May 3, 1999.)
Exhibit 10.7*	Amendment to the Genuine Parts Company 1992 Stock Option and Incentive Plan, dated April 19, 1999, effective April 19, 1999. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 10, 2000.)
Exhibit 10.8*	Amendment No. 2 to the Genuine Parts Company Tax-Deferred Savings Plan, dated April 19, 1999, effective April 19, 1999. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 10, 2000.)
Exhibit 10.9*	The Genuine Parts Company Original Deferred Compensation Plan, as amended and restated as of August 19, 1996. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 8, 2004.)
Exhibit 10.10*	Amendment to the Genuine Parts Company Original Deferred Compensation Plan, dated April 19, 1999, effective April 19, 1999. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 10, 2000.)
Exhibit 10.11*	Amendment No. 3 to the Genuine Parts Company Tax-Deferred Savings Plan, dated November 28, 2001, effective July 1, 2001. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2002.)
Exhibit 10.12*	Genuine Parts Company 1999 Long-Term Incentive Plan, as amended and restated as of November 19, 2001. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 21, 2003.)
Exhibit 10.13*	Amendment to the Genuine Parts Company 1992 Stock Option and Incentive Plan, dated November 19, 2001, effective November 19, 2001. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 21, 2003.)
Exhibit 10.14*	Genuine Parts Company Supplemental Retirement Plan, as amended and restated effective January 1, 2003, and executed October 22, 2003. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 8, 2004.)
Exhibit 10.15*	Amendment No. 1 to the Genuine Parts Company Supplemental Retirement Plan, dated October 27, 2003, effective January 1, 2003. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 8, 2004.)
Exhibit 10.16*	Amendment No. 4 to the Genuine Parts Company Tax-Deferred Savings Plan, dated June 5, 2003, effective June 5, 2003. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 8, 2004.)
Exhibit 10.17*	Genuine Parts Company Directors' Deferred Compensation Plan, as amended and restated effective January 1, 2003, and executed November 11, 2003. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 8, 2004.)
Exhibit 10.18*	Genuine Parts Company 2004 Annual Incentive Bonus Plan, effective January 1, 2004. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2005.)
Exhibit 10.19*	Description of Director Compensation. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2005.)
Exhibit 10.20*	Genuine Parts Company Stock Appreciation Rights Agreement. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 7, 2005.)

Exhibit 10.21*	Amendment No. 5 to the Genuine Parts Company Tax-Deferred Savings Plan, dated December 28, 2005, effective January 1, 2006. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 3, 2006.)
Exhibit 10.22*	Amendment No. 2 to the Genuine Parts Company Supplemental Retirement Plan, dated November 9, 2005, effective January 1, 2006. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 3, 2006.)
Exhibit 10.23*	Amendment No. 3 to the Genuine Parts Company Supplemental Retirement Plan, dated December 28, 2005, effective January 1, 2006. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 3, 2006.)
Exhibit 10.24*	Amendment No. 2 to the Genuine Parts Company Death Benefit Plan, dated November 9, 2005, effective April 1, 2005. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated March 3, 2006.)
Exhibit 10.25*	Genuine Parts Company 2006 Long-Term Incentive Plan, effective April 17, 2006. (Incorporated herein by reference from the Company's Current Report on Form 8-K, dated April 18, 2006.)
Exhibit 10.26*	Amendment to the Genuine Parts Company 2006 Long-Term Incentive Plan, dated November 20, 2006, effective November 20, 2006. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 28, 2007.)
Exhibit 10.27*	Amendment No. 4 to the Genuine Parts Company Supplemental Retirement Plan, dated November 28, 2007, effective January 1, 2008. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.28*	Amendment No. 1 to the Genuine Parts Company Directors' Deferred Compensation Plan, dated November 19, 2007, effective January 1, 2008. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.29*	Amendment No. 6 to the Genuine Parts Company Tax-Deferred Savings Plan, dated November 28, 2007, effective January 1, 2008. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.30*	Amendment to the Genuine Parts Company 2004 Annual Incentive Bonus Plan, dated March 27, 2007, effective March 27, 2007. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.31*	Amendment No. 2 to the Genuine Parts Company 2004 Annual Incentive Bonus Plan, dated November 19, 2007, effective November 19, 2007. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.32*	Amendment No. 2 to the Genuine Parts Company 2006 Long-Term Incentive Plan, dated November 19, 2007, effective November 19, 2007. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.33*	Genuine Parts Company Performance Restricted Stock Unit Award Agreement. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.34*	Genuine Parts Company Restricted Stock Unit Award Agreement. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.35*	Specimen Change in Control Agreement, as amended and restated as of November 19, 2007. (Incorporated herein by reference from the Company's Annual Report on Form 10-K, dated February 29, 2008.)
Exhibit 10.36*	Genuine Parts Company Supplemental Retirement Plan, as amended and restated as of January 1, 2009.

* Indicates management contracts and compensatory plans and arrangements.

Exhibit 13	The following sections and pages of the Company's Annual Report to Shareholders for the year ended December 31, 2008: — Selected Financial Data on Page 13 — Market and Dividend Information on Page 13 — Segment Data on Page 15 — Management's Discussion and Analysis of Financial Condition and Results of Operations on Pages 16-23 — Quarterly Results of Operations on Page 23 — Management's Report on Internal Control over Financial Reporting on Page 24 — Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting on Page 25 — Report of Independent Registered Public Accounting Firm on the Financial Statements on Page 25 — Consolidated Financial Statements and Notes to Consolidated Financial Statements on Pages 26-41
Exhibit 21	Subsidiaries of the Company.
Exhibit 23	Consent of Independent Registered Public Accounting Firm.
Exhibit 31.1	Certification signed by Chief Executive Officer pursuant to SEC Rule 13a-14(a).
Exhibit 31.2	Certification signed by Chief Financial Officer pursuant to SEC Rule 13a-14(a).
Exhibit 32.1	Statement of Chief Executive Officer of Genuine Parts Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
Exhibit 32.2	Statement of Chief Financial Officer of Genuine Parts Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

(b) Exhibits

See the response to Item 15(a)(3) above.

(c) Financial Statement Schedules

See the response to Item 15(a)(2) above.

SIGNATURES.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENUINE PARTS COMPANY

/s/ Thomas C. Gallagher	2/27/09	**/s/ Jerry W. Nix**	2/27/09
Thomas C. Gallagher	(Date)	**Jerry W. Nix**	(Date)
Chairman, President and Chief Executive Officer		Vice Chairman and Chief Financial and Accounting Officer	

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Dr. Mary B. Bullock	2/16/09	**/s/ Richard W. Courts II**	2/16/09
Dr. Mary B. Bullock Director	(Date)	**Richard W. Courts II** Director	(Date)
/s/ Jean Douville	2/16/09	**/s/ Thomas C. Gallagher**	2/16/09
Jean Douville Director	(Date)	**Thomas C. Gallagher** Director	(Date)
/s/ George C. Guynn	2/16/09	**/s/ John D. Johns**	2/16/09
George C. Guynn Director	(Date)	**John D. Johns** Director	(Date)
/s/ Michael M.E. Johns	2/16/09	**/s/ J. Hicks Lanier**	2/16/09
Michael M. E. Johns Director	(Date)	**J. Hicks Lanier** Director	(Date)
/s/ Wendy B. Needham	2/16/09	**/s/ Jerry W. Nix**	2/16/09
Wendy B. Needham Director	(Date)	**Jerry W. Nix** Director	(Date)
/s/ Larry L. Prince	2/16/09	**/s/ Gary W. Rollins**	2/16/09
Larry L. Prince Director	(Date)	**Gary W. Rollins** Director	(Date)
/s/ Lawrence G. Steiner	2/16/09		
Lawrence G. Steiner Director	(Date)		

Annual Report on Form 10-K

Item 15(c)

Financial Statement Schedule II — Valuation and Qualifying Accounts
Genuine Parts Company and Subsidiaries

	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
Year ended December 31, 2006:				
Reserves and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 11,385,684	$ 16,472,494	$ (14,402,108)[1]	$ 13,456,070
Reserve for facility consolidations	$ 1,580,000	-0-	$ (1,580,000)[2]	-0-
Year ended December 31, 2007:				
Reserves and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 13,456,070	$ 13,513,715	$ (11,448,980)[1]	$ 15,520,805
Year ended December 31, 2008:				
Reserves and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 15,520,805	$ 23,882,674	$ (20,815,910)[1]	$ 18,587,569

1 Uncollectible accounts written off, net of recoveries.

2 Facility Consolidation expense paid.

ANNUAL REPORT ON FORM 10-K

INDEX OF EXHIBITS

The following exhibits are filed (or furnished, if so indicated) herewith as a part of this Report:

10.36* Genuine Parts Company Supplemental Retirement Plan, as amended and restated as of January 1, 2009.
13 The following sections and pages of the Company's Annual Report to Shareholders for the year ended December 31, 2008:

- — Selected Financial Data on Page 13
- — Market and Dividend Information on Page 13
- — Segment Data on Page 15
- — Management's Discussion and Analysis of Financial Condition and Results of Operations on Pages 16-23
- — Quarterly Results of Operations on Page 23
- — Management's Report on Internal Control over Financial Reporting on Page 24
- — Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting on Page 25
- — Report of Independent Registered Public Accounting Firm on the Financial Statements on Page 25
- — Consolidated Financial Statements and Notes to Consolidated Financial Statements on Pages 26-41

21 Subsidiaries of the Company.
23 Consent of Independent Registered Public Accounting Firm.
31.1 Certification signed by the Chief Executive Officer pursuant to SEC Rule 13a—14(a).
31.2 Certification signed by the Chief Financial Officer pursuant to SEC Rule 13a-14(a).
32.1 Statement of Chief Executive Officer of Genuine Parts Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2 Statement of Chief Financial Officer of Genuine Parts Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

The following exhibits are incorporated by reference as set forth in Item 15 of this Form 10-K:

— 3.1 Amended and Restated Articles of Incorporation of the Company, amended April 23, 2007.
— 3.2 By-Laws of the Company as amended and restated August 20, 2007.
— 4.2 Specimen Common Stock Certificate.
— 4.3 Note Purchase Agreement dated November 30, 2001.

Instruments with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis have not been filed. The Registrant agrees to furnish to the Commission a copy of each such instrument upon request.

— 10.1* Form of Amendment to Deferred Compensation Agreement adopted February 13, 1989, between the Company and certain executive officers of the Company.
— 10.2* 1992 Stock Option and Incentive Plan, effective April 20, 1992.
— 10.3* The Genuine Parts Company Restated Tax-Deferred Savings Plan, effective January 1, 1993.
— 10.4* Amendment No. 1 to the Genuine Parts Company Tax-Deferred Savings Plan, dated June 1, 1996, effective June 1, 1996.
— 10.5* Genuine Parts Company Death Benefit Plan, effective July 15, 1997.
— 10.6* Restricted Stock Agreement dated February 25, 1999, between the Company and Thomas C. Gallagher.
— 10.7* Amendment to the Genuine Parts Company 1992 Stock Option and Incentive Plan, dated April 19, 1999, effective April 19, 1999.

— 10.8* Amendment to the Genuine Parts Company Tax-Deferred Savings Plan, dated April 19, 1999, effective April 19, 1999.
— 10.9* The Genuine Parts Company Original Deferred Compensation Plan, as amended and restated as of August 19, 1996.
— 10.10* Amendment to the Genuine Parts Company Original Deferred Compensation Plan, dated April 19, 1999, effective April 19, 1999.
— 10.11* Amendment No. 3 to the Genuine Parts Company Tax-Deferred Savings Plan, dated November 28, 2001, effective July 1, 2001.
— 10.12* Genuine Parts Company 1999 Long-Term Incentive Plan, as amended and restated as of November 19, 2001.
— 10.13* Amendment to the Genuine Parts Company 1992 Stock Option and Incentive Plan, dated November 19, 2001, effective November 19, 2001.
— 10.14* Genuine Parts Company Supplemental Retirement Plan, as amended and restated effective January 1, 2003, and executed October 22, 2003.
— 10.15* Amendment No. 1 to the Genuine Parts Company Supplemental Retirement Plan, dated October 27, 2003, effective January 1, 2003.
— 10.16* Amendment No. 4 to the Genuine Parts Company Tax-Deferred Savings Plan, dated June 5, 2003, effective June 5, 2003.
— 10.17* Genuine Parts Company Directors' Deferred Compensation Plan, as amended and restated effective January 1, 2003, and executed November 11, 2003.
— 10.18* Genuine Parts Company 2004 Annual Incentive Bonus Plan, effective January 1, 2004.
— 10.19* Description of Director Compensation
— 10.20* Genuine Parts Company Stock Appreciation Rights Agreement.
— 10.21* Amendment No. 5 to the Genuine Parts Company Tax-Deferred Savings Plan.
— 10.22* Amendment No. 2 to the Genuine Parts Company Supplemental Retirement Plan.
— 10.23* Amendment No. 3 to the Genuine Parts Company Supplemental Retirement Plan.
— 10.24* Amendment No. 2 to the Genuine Parts Company Death Benefit Plan.
— 10.25* Genuine Parts Company 2006 Long-Term Incentive Plan, effective April 17, 2006.
— 10.26* Amendment to the Genuine Parts Company 2006 Long-Term Incentive Plan, dated November 20, 2006, effective November 20, 2006.
— 10.27* Amendment No. 4 to the Genuine Parts Company Supplemental Retirement Plan, dated November 28, 2007, effective January 1, 2008.
— 10.28* Amendment No. 1 to the Genuine Parts Company Directors' Deferred Compensation Plan, dated November 19, 2007, effective January 1, 2008.
— 10.29* Amendment No. 6 to the Genuine Parts Company Tax-Deferred Savings Plan, dated November 28, 2007, effective January 1, 2008.
— 10.30* Amendment to the Genuine Parts Company 2004 Annual Incentive Bonus Plan, dated March 27, 2007, effective March 27, 2007.
— 10.31* Amendment No. 2 to the Genuine Parts Company 2004 Annual Incentive Bonus Plan, dated November 19, 2007, effective November 19, 2007.
— 10.32* Amendment No. 2 to the Genuine Parts Company 2006 Long-Term Incentive Plan, dated November 19, 2007, effective November 19, 2007.
— 10.33* Genuine Parts Company Performance Restricted Stock Unit Award Agreement.
— 10.34* Genuine Parts Company Restricted Stock Unit Award Agreement.
— 10.35* Specimen Change in Control Agreement, as amended and restated as of November 19, 2007.

* Indicates management contracts and compensatory plans and arrangements.

EXHIBIT 10.36

THE GENUINE PARTS COMPANY SUPPLEMENTAL RETIREMENT PLAN (As Amended and Restated Effective as of January 1, 2009)

ARTICLE ONE — INTRODUCTION

1.01 Establishment of Plan.

The Board of Directors of Genuine Parts Company ("Genuine Parts") has determined that it is in the best interest of Genuine Parts and its subsidiaries (collectively the "Employer") to establish a nonqualified supplemental retirement plan for certain executives of the Employer. Accordingly, the Board established The Genuine Parts Company Supplemental Retirement Plan effective as of January 1, 1991. The Genuine Parts Company Supplemental Retirement Plan was most recently amended and restated effective as of January 1, 2003 and was thereafter amended various times. Effective January 1, 2009, the Plan is continued in an amended and restated form as set forth in this document (the "Plan").

This Plan is intended to be a plan maintained by the Employer solely for the purpose of providing benefits for certain employees in excess of the limitations on benefits imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code of 1986 (the "Code") and is also intended to be a plan that is unfunded and is maintained by Genuine Parts for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

Although this Plan is effective on January 1, 2009, the Plan was adopted on or before December 31, 2008 to incorporate changes required by Code Section 409A and in accordance with transition relief set forth in Revenue Ruling 2007-86 and other applicable transition authority.

Effective at midnight on December 31, 2008, this Plan is amended to freeze participation. No new Key Employee (as defined in Section 2.01) may commence participation in this Plan on or after January 1, 2009.

1.02 Incorporation of Pension Plan.

The terms of the Genuine Parts Company Pension Plan, as amended and restated effective January 1, 2006 (the "Pension Plan") are hereby incorporated in this Plan by reference. Unless otherwise indicated herein, the provisions of any future amendments to and restatements of the Pension Plan shall also be incorporated in this Plan by reference. Unless indicated otherwise, capitalized terms used in this Plan shall have the meaning given those terms in the Pension Plan.

ARTICLE TWO — PARTICIPATION

2.01 Eligibility.

Except as provided in Section 2.02, any employee of the Employer whose annual, regular Earnings were expected to be equal to or greater than the compensation limits of Code Section 401(a)(17) for such year ($245,000 in 2009) were eligible to participate in this Plan ("Key Employee"). Upon becoming eligible to participate, the Key Employee was required to complete and execute a Joinder Agreement in a form satisfactory to the Pension and Benefits Committee of Genuine Parts Company (the "Committee"). Such Joinder Agreement was required to be completed no later than January 30 following the calendar year in which the Key Employee first accrues a benefit under this Plan. If the Key Employee failed to timely complete the Joinder Agreement, the Key Employee was prohibited from accruing a benefit under this Plan until the first day of the calendar year after the completion of the Joinder Agreement. Even though a Key Employee may be a participant in this Plan, he or she shall not be entitled to any benefit hereunder unless and until his or her benefits under the Pension Plan are reduced due to the application of either Section 401(a)(17) or Section 415 of the Code.

Effective at midnight on December 31, 2008, no new Key Employees may participate in this Plan. In other words, no Key Employee may begin participation in this Plan on or after January 1, 2009. All Key Employees who began participation in this Plan effective January 1, 2008 signed a Joinder Agreement prior to December 31, 2008. No Joinder Agreements may be executed to join this Plan on or after December 31, 2008.

2.02 Additional Rules on Eligibility.

(a) A Key Employee shall not accrue a benefit for any year in which the Key Employee's annual, regular Earnings are less than the compensation limits of Code Section 401(a)(17). Nevertheless, the Key Employee shall continue to participate in the Plan and shall again accrue a benefit under this Plan during the calendar year in which the Key Employee's Earnings exceed the Earnings limit in Section 2.01.

(b) A Key Employee shall be notified in writing by the Committee (or its designee) of his or her initial eligibility to participate in the Plan no later than January 30 following the calendar year in which the Key Employee first accrues a benefit under the Plan. Unless notified in writing by the Committee (or its designee) as described in the preceding sentence, a Key Employee shall not be eligible to participate in the Plan and shall not accrue a benefit under this Plan. Furthermore, the Committee (or its designee) may prohibit any Key Employee from accruing future benefits under this Plan by notifying such Key Employee in writing that his or her accruals under this Plan shall cease. Such freezing of future accruals shall be effective for the next calendar year following the date the written notice is mailed or hand delivered to the Key Employee.

2.03 Definition of Earnings.

For purposes of this Plan, the term "Earnings" shall (except as modified below) have the same meaning given such term in the Pension Plan. Unlike the Pension Plan, however, Earnings shall include salary, bonus or other compensation that the Company would otherwise have been paid to a Key Employee but for the Key Employee's election to defer the receipt of such salary, bonus or other compensation pursuant to a Company sponsored deferred compensation program ("Deferred Compensation"). A Key Employee's Deferred Compensation shall not be included in Earnings in the year such Deferred Compensation is paid to the Key Employee.

ARTICLE THREE — VESTING

3.01 Vesting.

(a) Vesting on or after January 1, 2009. A Key Employee who participates in the Plan shall become 100% vested in his or her Supplemental Retirement Income under this Plan (as provided in Article Five and Article Six) on the earliest of the following dates:

(1) The Key Employee attains his or her Normal Retirement Date prior to his or her Separation from Service;

(2) The Key Employee attains age 55 and completes fifteen years of Retirement Eligibility Service prior to his or her Separation from Service;

(3) The Key Employee incurs a Permanent Disability prior to his or her Separation from Service;

(4) The Key Employee dies prior to his or her Separation from Service;

(5) A Change in Control occurs prior to the Key Employee's Separation from Service (see Article Nine); and

(6) The Plan is terminated prior to the Key Employee's Separation from Service (see Section 10.08).

(b) Vesting prior to January 1, 2009. In general, prior to January 1, 2009, a Key Employee who had a Separation from Service prior to the earlier of his or her (i) Normal Retirement Date or (ii) attainment of age 55 and completion of fifteen years of Credited Service forfeited his or her Supplemental Retirement Income under this Plan.

(c) Forfeiture. If a Key Employee has a Separation from Service for any reason prior to becoming vested as provided in this Article Three, such Key Employee shall forfeit his or her entire benefit under this Plan. No payment of any kind shall be made under this Plan to any Key Employee who has a Separation from Service prior to becoming vested under this Plan.

ARTICLE FOUR -— PENSION CHOICE

4.01 Background on Pension Choice.

In general, during August 2008, the Company provided Rule of 70 Employees (as defined in the Pension Plan) a choice regarding on-going participation in the Pension Plan. The Company allowed Rule of 70 Employees to elect one of two alternatives. Option one allowed a Rule of 70 Employee to continue full, active participation in the Pension Plan. In general, option two provides that a Rule of 70 Employee will have his or her Credited Service under the Pension Plan frozen effective at midnight on December 31, 2008. On the other hand, Average Earnings and Anticipated Social Security Benefit are not frozen under the Pension Plan for a Rule of 70 Employee electing option two. A Rule of 70 Employee who did not make a choice by the applicable deadline was deemed to have elected option one. Whether a Rule of 70 Employee elected or was deemed to have elected option one or option two was determined in August 2008 in accordance with the provisions of the Pension Plan and cannot change thereafter.

If a Key Employee is not a Rule of 70 Employee, such Key Employee was not given a choice between option one and option two. Instead, such Key Employee's Credited Service under the Pension Plan was automatically frozen as of midnight on December 31, 2008. As with a Rule of 70 Employee who elected option two, this Key Employee's Average Earnings and Anticipated Social Security Benefits under the Pension Plan are not frozen.

4.02 Credited Service under this Plan.

As noted above, Credited Service is frozen in the Pension Plan for a Rule of 70 Employee electing option two and for a Key Employee who is not a Rule of 70 Employee. Regardless, a Key Employee's Credited Service under this Plan is NOT frozen.

ARTICLE FIVE — SUPPLEMENTAL RETIREMENT INCOME

5.01 Calculation of Supplement for a Rule of 70 Employee Electing Option One in the Pension Plan .

(a) This Section 5.01 contains the benefit formula for a Key Employee who is also a Rule of 70 Employee who elected option one (see Article Four). This Key Employee continues to earn Credited Service under both the Pension Plan and this Plan. This Article Five assumes the Key Employee has a Separation from Service on or after his or her Normal or Delayed Retirement Date.

(b) Each Key Employee described in this Section 5.01 who has a Separation from Service with the Employer on or after his or her Normal or Delayed Retirement Date by reason of retirement or voluntary or involuntary termination shall, except as provided in Section 10.05 (Noncompetition, Embezzlement, etc.), be entitled to a monthly supplemental retirement income ("Supplemental Retirement Income") equal to (1) minus (2), where

(1) equals the monthly Normal or Delayed Retirement Income which the Key Employee would be entitled to receive under the Pension Plan beginning on the first day of the month following the Key Employee's Separation from Service with the Employer if the benefit limitations of Code Sections 401(a)(17) and 415 as reflected in the Pension Plan were not in effect (measured in the form of a single life annuity payable in monthly installments for the Key Employee's life) and if the definition of Earnings under this Plan were used to compute the Key Employee's Normal or Delayed Retirement Income under the Pension Plan;

(2) equals the monthly Normal or Delayed Retirement Income which the Key Employee is actually entitled to receive under the Pension Plan beginning on the first day of the month following the Key Employee's Separation from Service with the Employer measured in the form of a single life annuity payable in monthly installments for the Key Employee's life.

5.02 Calculation of Supplement for a Rule of 70 Employee Electing Option Two in the Pension Plan and for a Key Employee who is not a Rule of 70 Employee.

(a) This Section 5.02 contains the benefit formula for either (1) a Key Employee who is also a Rule of 70 Employee who elected option two (see Article Four) or (2) a Key Employee who is not a Rule of 70 Employee. These Key Employees had their Credited Service under the Pension Plan frozen as of midnight on December 31, 2008 but continue to earn Credited Service under this Plan. This Article Five assumes the Key Employee has a Separation from Service on or after his or her Normal or Delayed Retirement Date.

(b) Each Key Employee described in this Section 5.02 who has a Separation from Service with the Employer on or after his or her Normal or Delayed Retirement Date by reason of retirement or voluntary or involuntary termination shall, except as provided in Section 10.05 (Noncompetition, Embezzlement, etc.), be entitled to a monthly Supplemental Retirement Income equal to (1) minus (2) minus (3), where

(1) equals the monthly Normal or Delayed Retirement Income which the Key Employee would be entitled to receive under the Pension Plan beginning on the first day of the month following the Key Employee's Separation from Service with the Employer if the benefit limitations of Code Sections 401(a)(17) and 415 as reflected in the Pension Plan were not in effect (measured in the form of a single life annuity payable in monthly installments for the Key Employee's life) and if the definition of Earnings under this Plan and the definition of Credited

Service under this Plan were used to compute the Key Employee's Normal or Delayed Retirement Income under the Pension Plan;

(2) equals the monthly Normal or Delayed Retirement Income which the Key Employee is actually entitled to receive under the Pension Plan beginning on the first day of the month following the Key Employee's Separation from Service with the Employer measured in the form of a single life annuity payable in monthly installments for the Key Employee's life;

(3) equals the monthly hypothetical benefit which the Key Employee would receive on the first day of the month following the Key Employee's Separation from Service with the Employer using the Key Employee's hypothetical account balance described below converted to a single life annuity.

The Key Employee's monthly hypothetical benefit is determined as follows. Beginning January 1, 2009, a hypothetical account shall be established for each Key Employee described in Section 5.02. At the end of each calendar year (or at the time of the Key Employee's Separation from Service, if earlier) the hypothetical account balance shall be increased by (A) and (B) below.

(A) An amount equal to 3.8% (representing a hypothetical employer contribution) of the Key Employee's Earnings for such calendar year up to the limitations of Code Section 401(a)(17) ($245,000 in 2009). For this purpose, Earnings shall have the meaning as defined in the Pension Plan and not as defined in this Plan.

(B) An amount (representing hypothetical earnings) equal to 6% multiplied by the balance of the hypothetical account balance at the beginning of the calendar year. Accordingly, no interest shall be added for the calendar year ending December 31, 2009. The 6% interest rate shall be adjusted in computing the hypothetical earnings for a partial year by taking into account total days in the partial year and dividing by 360 days. For example, if the partial year was 90 days, the interest rate for the partial year would be 1.5% (6% times 90 days divided by 360 days).

The hypothetical account balance shall be converted to a single life annuity using the Applicable Mortality Table and Applicable Interest Rate as defined in Section 2.03 of the Pension Plan.

As background only and not to be used as a method of computing the Key Employee's hypothetical account, 3.8% represents the additional match a Key Employee described in Section 5.02 would receive under the Genuine Parts Company 401(k) Savings Plan ("GPC 401(k) Plan") instead of under the Genuine Partnership Plan ("GPC Partnership Plan"). A Key Employee described in Section 5.01 is eligible to participate in the GPC Partnership Plan with a maximum match of 1.2% of Earnings. A Key Employee described in Section 5.02 is eligible to participate in the GPC 401(k) Plan with a maximum match of 5% of Earnings. Thus, 5.0% minus 1.2% equals 3.8%.

ARTICLE SIX — SUPPLEMENTAL RETIREMENT INCOME; DISTRIBUTION PRIOR TO NORMAL OR DELAYED RETIREMENT

6.01 Separation from Service On or After the Key Employee's Early Retirement Date .

(a) This Section 6.01 applies to a Key Employee who has a Separation from Service on or after the Key Employee's Early Retirement Date but before the Key Employee's Normal Retirement Date.

(b) Each Key Employee who has a Separation from Service with the Employer on or after his or her Early Retirement Date by reason of early retirement or voluntary or involuntary termination shall, except as provided in Section 10.05 (Noncompetition, Embezzlement, etc.), be entitled to a monthly Supplemental Retirement Income in the manner described in Section 5.01 or Section 5.02, whichever is applicable, assuming (1) the monthly Supplemental Retirement Income commenced on the first day of the month following the Key Employee's Separation from Service with the Employer. (2) the pension benefits were payable under Section 4.02 of the Pension Plan and (3) the Key Employee's benefit in Section 5.01(b) and the Key Employee's benefit in Sections 5.02(b)(1) and (2) (but not (3)) are reduced by the early retirement reduction factors set forth in the Pension Plan (e.g., see Section 4.02 of the Pension Plan).

6.02 Separation from Service Prior to the Key Employee's Early Retirement Date .

(a) This Section 6.02 applies to a Key Employee who has a Separation from Service (1) prior to the Key Employee's Early Retirement Date but (2) following the Key Employee's Permanent Disability, death or the termination of the Plan (i.e., 100% vested). This Section 6.02 does not apply to a Key Employee who receives a lump sum distribution on account of a Separation from Service within two years of a Change in Control. Instead, see Section 9.01. Benefits under this Section 6.02 will commence on the Key Employee's Normal Retirement Date (regardless of the Key Employee's age or years of Retirement Eligibility Service.)

(b) Each Key Employee who has a Separation from Service with the Employer prior to his or her Early Retirement Date and in the manner described in Section 6.02(a) by reason of voluntary or involuntary termination (including death) shall, except as provided in Section 10.05 (Noncompetition, Embezzlement, etc.), be entitled to a monthly Supplemental Retirement Income in the manner described in Section 5.01 or Section 5.02, whichever is applicable on the Key Employee's Normal Retirement Date. The Supplemental Retirement Income shall be computed assuming (1) the monthly Supplemental Retirement Income commenced on the Key Employee's Normal Retirement Date, (2) the pension benefits were payable under Section 4.05 of the Pension Plan at Normal Retirement Date and (3) the Key Employee's hypothetical account described in Section 5.02(b)(3) continues to receive interest described in subparagraph (B) until the Key Employee's Normal Retirement Date.

ARTICLE SEVEN — TIME AND FORM OF PAYMENT; OTHER PROVISIONS

7.01 Distribution Date.

(a) For a Key Employee described in Article 5 (commencement of benefits upon Normal or Delayed Retirement Date) and a Key Employee described in Section 6.01 (commencement of benefits upon Early Retirement Date), the Employer shall delay payment of the Supplemental Retirement Income until the first day of the seventh month following the Key Employee's Separation from Service with the Employer.

(b) The first payment to a Key Employee described in Section 7.01(a) shall also include any payments that were not made following the Key Employee's Separation from Service. Thus, the first payment shall be equal to seven months of payments (representing the payment made to the Key Employee for the seventh month plus the monthly payments for the six months following the Key Employee's Separation from Service with the Employer). For example, assume a Key Employee described in Article 5 or Section 6.01 has a Separation from Service with the Employer on January 12, and the first payment was made on August 1 (the first day of the seventh month following January 12). The August 1 payment shall include an amount equal to seven months of payments (representing payments for February, March, April, May, June, July and August).

(c) For a Key Employee described in Section 6.02 (commencement of benefits upon Normal Retirement Date), the Employer shall delay payment of the Supplemental Retirement Income until the later of (i) the first day of the seventh month following the Key Employee's Separation from Service with the Employer or (ii) the Key Employee's Normal Retirement Date. The purpose of this provision is to ensure a Key Employee has a six month delay in the commencement of his or her Supplemental Retirement Income. Thus, if the Key Employee had a Separation from Service more than six full months before the Key Employee's Normal Retirement Date, the Employer would commence the Key Employee's Supplemental Retirement Income on the Key Employee's Normal Retirement Date. If the Employer delays commencement of the Key Employee's Supplemental Retirement Income pursuant to this Section 7.01(c), the Key Employee will receive all unpaid payments in the same manner as described in Section 7.01(b). In no event shall a Key Employee described in this Section 7.01(c) commence receiving Supplemental Retirement Income prior to his or her Normal Retirement Date.

7.02 Form of Payment

A Key Employee may elect among the following annuity payment options available under the Plan:

(a) Life Annuity Option — a monthly Retirement Income payable during the Key Employee's lifetime, with payments ceasing upon the Key Employee's death.

(b) Joint and 50% Survivor Annuity — a monthly Retirement Income equal to the reduced Actuarial Equivalent of the Life Annuity Option. The Retirement Income shall be payable to the Key Employee for the Key Employee's life, and upon the Key Employee's death, 50% of such Retirement Income shall be payable to the Key Employee's Spouse for the Spouse's life. Such Retirement Income shall cease on the later of the death of the Key Employee or the death of the Key Employee's Spouse.

(c) Ten Years Certain and Life Option — a monthly Retirement Income equal to the reduced Actuarial Equivalent of the Life Annuity Option. The Retirement Income shall be payable to the Key Employee during the Key Employee's lifetime and, in the event of the Key Employee's death, within a period of ten years after the commencement of benefits, the same monthly amount shall be payable to the Key Employee's Beneficiary for the remainder of such ten-year period.

(d) Joint and Last Survivor Option — a monthly Retirement Income equal to the reduced Actuarial Equivalent of the Life Annuity Option. The Retirement Income shall be payable to the Key Employee for the Key Employee's life, and upon the Key Employee's death, a designated percentage (100%, 75% or 50%) of the Key Employee's Retirement Income shall be payable to the Key Employee's Beneficiary for the Beneficiary's life. Such Retirement Income shall cease on the later of the death of the Key Employee or the death of the Key Employee's Beneficiary.

7.03 Election of Form of Benefit

The Key Employee may choose the annuity form of payment at any time prior to the commencement of benefits under the Plan. In the event that the Key Employee fails to elect a form of payment, then the Supplemental Retirement Income shall be paid in the form of a 50% joint and survivor annuity if the Key Employee has a Spouse on the commencement of benefits date and in the form of a Life Annuity if the Key Employee does not have a Spouse on the commencement of benefits. If the Supplemental Retirement Income is paid in a form other than a Life Annuity, then the amount of such benefit shall be adjusted so that it is the Actuarial Equivalent of the Life Annuity described in Article Five or Article Six, as applicable.

7.04 Other Provision

In computing a Key Employee's benefit under this Plan, the Committee shall assume the Key Employee did not accrue a benefit under the Pension Plan (i.e., no Credited Service under the Pension Plan or this Plan and no Earnings under the Pension Plan or this Plan) during any calendar year in which the Key Employee did not accrue a benefit under this Plan (see Section 2.02).

ARTICLE EIGHT — PRE-RETIREMENT DEATH BENEFIT

8.01 Death of Key Employee Before Supplemental Income Payments Commence.

(a) Survivor Benefit. If a Key Employee (married or unmarried at the time of his or her death) dies before Supplemental Retirement Income commences hereunder and prior to his or her Separation from Service, then the Key Employee's Beneficiary shall be entitled to receive a survivor benefit which is the equal to 50% of the lump sum value of the Key Employee's Supplemental Retirement Income accrued to the date of his or her death under Article Five or Article Six, whichever is applicable. The lump sum value shall be computed using the Applicable Mortality Table and the Applicable Interest Rate as defined in Section 2.03 of the Pension Plan and based on the Key Employee's age on the first day of the month following his or her death. See Section 8.03 for provisions identifying the Key Employee's Beneficiary.

(b) Form and Commencement of Survivor Benefit. For purposes of paragraph (a) above, the survivor benefit shall be a benefit payable as a lump sum distribution within ninety days of the Key Employee's death. Section 7.01 does not apply to this distribution. If a Key Employee died on or after his or her Early Retirement Date, the lump sum shall be computed assuming the Key Employee had retired on the day of his or her death and commenced receiving a Supplemental Retirement Income on the first day of the month following his death. If a Key Employee dies prior to his or her Early Retirement Date, the lump sum shall be computed assuming the Key Employee had terminated employment on the date of his or her death and waited until the Key Employee's Normal Retirement Date to commence payment of benefits.

8.02 Death of Key Employee After Supplemental Retirement Income Payments Have Commenced.

If a Key Employee dies after Supplemental Retirement Income payments have begun hereunder, then the Key Employee's Beneficiary shall be entitled to only that death benefit, if any, which is in effect at the time of the Key Employee's death in accordance with the benefit option elected by the Key Employee.

8.03 Beneficiary Designation.

The following shall apply to the designation of a Beneficiary:

(a) A Key Employee's Beneficiary shall be the individual designated by the Key Employee on a form provided by the Committee. If no Beneficiary is designated, the Key Employee's Beneficiary shall be deemed to be the Key Employee's Spouse, or if no Spouse, the Key Employee's descendants (per stirpes), or if no descendants, the Key Employee's estate. For the purposes of the foregoing sentence, the term "descendants" shall include any persons adopted by a Key Employee or by any of his or her descendants.

(b) Prior to the commencement of payments under this Plan, a Key Employee may change his or her Beneficiary designation at any time without spousal consent. After payments commence, however, the Key Employee cannot change his or her Beneficiary designation.

ARTICLE NINE — CHANGE OF CONTROL

9.01 Change of Control.

(a) In the event there is a Change of Control of Genuine Parts (as defined in Section 9.01(d)), a Key Employee described below shall receive an immediate lump sum payment of the Key Employee's Supplemental Retirement Income in lieu of the Supplemental Retirement Income otherwise provided under this Plan.

(1) A Key Employee who has a Separation from Service on account of a Change of Control shall receive an immediate lump sum payment computed as described in Section 9.01(b) below. A Key Employee shall be considered to have a Separation from Service on account of a Change of Control if the Key Employee has a Separation from Service for any reason (e.g., resignation, involuntary termination, disability, death, etc.) during the two-year period beginning on the date on which the Change in Control occurred.

(2) A Key Employee (or his or her Beneficiary if the Key Employee is not living) who had a Separation from Service prior to the Change of Control and who is receiving or entitled to receive benefits under the Plan following the Change in Control shall receive a lump sum benefit computed as described in Section 9.01(c).

(b) The lump sum payment for a Key Employee described in Section 9.01(a)(i) shall be determined by computing the present value of the Key Employee's monthly Supplemental Retirement Income as of the date of the Key Employee's Separation from Service on account of the Change of Control (calculated pursuant to the formula set forth in Article Five or Article Six, as applicable). The lump sum amount shall be determined using the Applicable Interest Rate and Applicable Mortality Table as defined in Section 4.10 of the Pension Plan (i.e., the interest rate used to compute a lump sum payout from the Pension Plan following a change in control). If a Key Employee has a Separation from Service prior to his or her Early Retirement Date, the lump sum shall be computed based on the benefit payable at the Key Employee's Normal Retirement Date. The provisions of Section 7.01 (six month delay) apply to this distribution.

(c) The lump sum payment for a Key Employee described in Section 9.01(a)(ii) shall be determined by computing the present value of the remaining unpaid monthly

Supplemental Retirement Income payments under this Plan using the Applicable Interest Rate and Applicable Mortality Table as defined in Section 4.10 of the Pension Plan (i.e., the interest rate used to compute a lump sum payout from the Pension Plan following a Change of Control) and by assuming such payments begin or continue (as the case may be) immediately following the Change of Control. The provisions of Section 7.01 (six month delay) apply to this distribution if payments have not already commenced.

(d) A Change of Control of Genuine Parts means a Change in Control as defined in Code Section 409A (see Treasury Regulation Section 1.409A-3(i)(5)). This definition shall apply January 1, 2008 (even though the effective date of this restatement is January 1, 2009).

ARTICLE TEN — MISCELLANEOUS

10.01 Funding.

Nothing contained in this Plan and no action taken pursuant to the provisions of this Plan shall create or be construed to create a trust for the purpose of assuring funds for the payment of any amounts provided herein. The amounts provided by this Plan shall be paid from each Employer's general assets or by such other means as the Employer deems advisable. A Key Employee shall have no title to or beneficial interest in any assets set aside or acquired by an Employer to fund its obligations hereunder prior to its due date and to the extent a Key Employee acquires the right to receive a payment from the Employer under this Plan, such right shall be no greater than that of an unsecured general creditor of such Employer.

10.02 Nonassignability.

No amount payable under this Plan may be assigned, transferred, encumbered or subject to any legal process for the payment of any claim against a Key Employee.

10.03 Costs of Collection; Interest.

The Employer shall reimburse the Key Employee or Beneficiary, as the case may be, for reasonable legal fees and related expenses incurred by the Key Employee or Beneficiary in connection with his or her seeking to obtain or enforce any right or benefit provided by this Agreement, in each case, regardless of whether or not the Key Employee's or Beneficiary's claim is upheld by an arbitral panel or a court of competent jurisdiction; provided, however, the Key Employee or Beneficiary shall be required to repay to the Employer any such amounts to the extent that an arbitral panel or a court issues a final and non-appealable order, judgment, decree or award setting forth the determination that the position taken by Key Employee or Beneficiary was frivolous or advanced by the Key Employee or Beneficiary in bad faith. The amount reimbursable by the Employer under this Section 10.03 in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense shall be made within 30 days after delivery of Key Employee's or Beneficiary's respective written requests for payment accompanied with such evidence of fees and expenses incurred as the Employer reasonably may require, but in any event no later than December 31 of the year after the year in which the expense was incurred. The Key Employee's rights pursuant to this Section 10.03 shall expire at the end of twenty years after the Key Employee's Separation from Service and shall not be subject to liquidation or exchange for another benefit.

10.04 No Right to Continued Employment.

Nothing in this Plan shall be deemed to give any Key Employee the right to be retained in the service of the Employer or to deny the Employer any right it may have to discharge a Key Employee at any time.

10.05 Noncompetition, Embezzlement, Etc.

(a) Notwithstanding other provisions herein to the contrary, if a Key Employee receiving or eligible to receive Supplemental Retirement Income under this Plan commits a material breach, as determined by the Committee, of his or her covenant not to compete as set forth in the Joinder Agreement, then the Key Employee shall cease to participate in the Plan as of the date of such breach and the Employer shall have no further obligation to make Supplemental Retirement Income payments to the Key Employee.

(b) If the Committee determines that a Key Employee has committed embezzlement, defalcation or any other criminal activity which is connected with his or her employment with the Employer, then no payments of any kind shall be made under this Plan to or for the benefit of the Key Employee or his or her Beneficiary. If such determination is made after the Key Employee (or his or her Beneficiary) has begun receiving payments hereunder, then payments shall cease immediately upon a certification by the Committee that an event has occurred which triggers loss of benefits under this section.

(c) Any payments that are not paid pursuant to subsections (a) or (b) above shall be irrevocably forfeited.

10.06 Governing Law.

This Plan shall be governed by and construed in accordance with the laws of the State of Georgia to the extent such laws are not preempted by Federal law.

10.07 Successors and Assigns.

This Plan shall be binding upon the successors and assigns of the parties hereto.

10.08 Right to Amend and Terminate.

The Committee reserves the right to modify, alter, amend, or terminate the Plan, at any time and from time to time, without notice, to any extent deemed advisable; provided, however, that no such amendment or termination shall (without the written consent of the Key Employee, if living, and if not, the Key Employee's Beneficiary) adversely affect any benefit under the Plan which has accrued with respect to the Key Employee as of the date of such amendment or termination regardless of whether such benefit is vested or in pay status. Notwithstanding the foregoing, no amendment, modification, alteration, or termination of this Plan may be given effect with respect to any Key Employee without the consent of such Key Employee (if living, and if not, the Key Employee's Beneficiary) if such amendment, modification, alteration, or termination is adopted during the six-month period prior to a Change of Control or during the two-year period following a Change of Control. In addition, no termination shall result in an acceleration of any benefit under this Plan unless such termination complies with the termination and liquidation provisions of Code Section 409A (see Treas. Reg. Section 1.409A-3(j)(4)(ix)). Finally, if the Plan does not comply with applicable law (including Code Section 409A), the Committee may amend the Plan to comply with Code Section 409A, including optional Code Section 409A provisions, and may amend the Plan to comply with other required changes in law without the consent of Key Employees or Beneficiaries and regardless of a prior or subsequent Change in Control.

ARTICLE ELEVEN — DEFINITIONS AND SPECIAL RULES

11.01 Separation from Service shall have the following meaning:

(a) General Rule. A Key Employee is deemed to have a Separation from Service if the Key Employee dies, retires or otherwise has a bona fide termination as an employee of the Employer.

(b) Leave of Absence. Separation from Service does not occur when the Key Employee is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months or any longer period provided the Key Employee retains a right to again provide services as an employee following the end of a leave of absence under an applicable statute or by contract. In any event, a leave of absence will prevent a Separation from Service occurring only if there is a reasonable expectation that the Key Employee will return to perform services for the Employer as an employee at the conclusion of the leave. If the leave of absence exceeds six months and the Key Employee is not entitled to return to service as an employee under an applicable statute or by contract, the Key Employee will have a Separation from Service on the first date immediately following such six-month period. However, if the leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Key Employee to be unable to perform the duties of his or her position or any substantially similar position, a 29-month period of absence shall be substituted for such six—month period.

(c) Termination. Whether a Key Employee has retired or otherwise terminated as a Key Employee (or subsequent employment) is determined based on the facts and circumstances indicating that the Employer and the Key Employee reasonably anticipated that no further services would be performed after a certain date.

(d) Presumption of Separation from Service. If the Employer and the Key Employee reasonably anticipate that the bona fide services the Key Employee would perform after a specified date (either as an employee or an independent contractor) would permanently decrease to an amount equal to or less than 20% of the average level of bona fide services provided in the immediately preceding thirty-six (36) months, the Key Employee will be presumed to have had a Separation from Service. See applicable treasury regulations for rules applicable in determining a Key Employee's average level of bona fide services during the preceding thirty-six (36) months in the event the Key Employee was on a paid bona fide leave of absence or an unpaid bona fide leave of absence during the preceding thirty-six (36) months.

11.02 Spouse. Except as modified in this definition, the term "Spouse" shall have the same meaning as the Pension Plan. If a Key Employee has a Separation from Service on or after his or her Early Retirement Date, the Spouse shall be determined as of the Key Employee's Separation from Service. If the Key Employee has a Separation from Service prior to his or her Early Retirement Date, the Spouse shall be determined as of the Key Employee's Normal Retirement Date.

11.03 Credited Service. For some Key Employees, Credited Service under the Pension Plan has been frozen. Regardless, for purposes of this Plan, all Key Employees shall continue to earn Credited Service under the terms of the Pension Plan assuming Credited Service had not been frozen. No Credited Service shall be earned if an Employee ceases to be a Key Employee or if the Key Employee is not entitled to accrue a benefit under this Plan (see Section 2.02).

IN WITNESS WHEREOF, Genuine Parts Company has caused this Plan to be signed by its duly authorized officer on the date shown below, but effective as of January 1, 2009 (or effective as of such earlier date for certain provisions as indicated in the amendment).

GENUINE PARTS COMPANY

By: /s/ Frank M. Howard
Title: Sr. V.P. & Treasurer
Date: 12-22-08

Attest:

/s/ Linda L. Olvey

Date: 12-22-08

selected financial data

(in thousands, except per share data) *Year ended December 31,*	**2008**	2007	2006	2005	2004
Net sales	**$11,015,263**	$10,843,195	$10,457,942	$ 9,783,050	$9,097,267
Cost of goods sold	**7,742,773**	7,625,972	7,353,447	6,884,964	6,439,544
Operating and non-operating expenses, net	**2,504,022**	2,400,478	2,333,579	2,189,022	2,021,804
Income before taxes	**768,468**	816,745	770,916	709,064	635,919
Income taxes	**293,051**	310,406	295,511	271,630	240,367
Net income	**$ 475,417**	$ 506,339	$ 475,405	$ 437,434	$ 395,552
Weighted average common shares outstanding during year — assuming dilution	**162,986**	170,135	172,486	175,007	175,660
Per common share:					
Diluted net income	**$ 2.92**	$ 2.98	$ 2.76	$ 2.50	$ 2.25
Dividends declared	**1.56**	1.46	1.35	1.25	1.20
December 31 closing stock price	**37.86**	46.30	47.43	43.92	44.06
Long-term debt, less current maturities	**500,000**	250,000	500,000	500,000	500,000
Shareholders' equity	**2,324,332**	2,716,716	2,549,991	2,693,957	2,544,377
Total assets	**$ 4,786,350**	$ 4,774,069	$ 4,496,984	$ 4,771,538	$ 4,455,247

market price and dividend information

High and Low Sales Price and Dividends per Common Share Traded on the New York Stock Exchange

	Sales Price of Common Shares			
Quarter	**2008**		2007	
	High	**Low**	High	Low
First	**$ 46.28**	**$ 38.30**	$ 50.75	$ 46.19
Second	**45.83**	**39.68**	51.65	48.39
Third	**44.20**	**39.34**	51.68	46.00
Fourth	**40.62**	**29.92**	50.97	46.30

	Dividends Declared Per Share	
	2008	2007
First	**$ 0.390**	$ 0.365
Second	**0.390**	0.365
Third	**0.390**	0.365
Fourth	**0.390**	0.365

Number of Record Holders of Common Stock as of December 31, 2008: 6,416

segment data

(in thousands) Year ended December 31,	**2008**	2007	2006	2005	2004
Net sales:					
Automotive	**$ 5,321,536**	$ 5,311,873	$ 5,185,080	$ 5,013,460	$ 4,739,261
Industrial	**3,514,661**	3,350,954	3,107,593	2,795,699	2,511,597
Office products	**1,732,514**	1,765,055	1,779,832	1,662,393	1,540,878
Electrical/electronic materials	**465,889**	436,318	408,138	341,513	335,605
Other	**(19,337)**	(21,005)	(22,701)	(30,015)	(30,074)
Total net sales	**$11,015,263**	$10,843,195	$10,457,942	$ 9,783,050	$ 9,097,267
Operating profit:					
Automotive	**$ 385,356**	$ 413,180	$ 399,931	$ 398,494	$ 396,015
Industrial	**294,652**	281,762	257,022	214,222	173,760
Office products	**144,127**	156,781	166,573	157,408	150,817
Electrical/electronic materials	**36,721**	30,435	22,630	17,470	14,611
Total operating profit	**860,856**	882,158	846,156	787,594	735,203
Interest expense, net	**(29,847)**	(21,056)	(26,445)	(29,564)	(37,260)
Corporate expense	**(55,119)**	(38,300)	(44,341)	(45,299)	(58,980)
Intangible asset amortization	**(2,861)**	(1,118)	(463)	(396)	(356)
Minority interests	**(4,561)**	(4,939)	(3,991)	(3,271)	(2,688)
Income before income taxes	**$ 768,468**	$ 816,745	$ 770,916	$ 709,064	$ 635,919
Assets:					
Automotive	**$ 2,799,901**	$ 2,785,619	$ 2,625,846	$ 2,711,620	$ 2,521,906
Industrial	**1,025,292**	969,666	910,734	976,903	955,029
Office products	**638,854**	659,838	669,303	722,813	681,992
Electrical/electronic materials	**95,655**	101,419	105,623	113,913	104,918
Corporate	**67,823**	175,074	123,224	183,572	133,730
Goodwill and intangible assets	**158,825**	82,453	62,254	62,717	57,672
Total assets	**$ 4,786,350**	$ 4,774,069	$ 4,496,984	$ 4,771,538	$ 4,455,247
Depreciation and amortization:					
Automotive	**$ 65,309**	$ 65,810	$ 52,565	$ 44,102	$ 39,222
Industrial	**7,632**	8,565	7,941	8,345	8,972
Office products	**9,825**	9,159	9,518	9,551	10,245
Electrical/electronic materials	**1,572**	1,566	1,394	1,612	2,011
Corporate	**1,499**	1,484	1,542	1,523	1,401
Intangible asset amortization	**2,861**	1,118	463	396	356
Total depreciation and amortization	**$ 88,698**	$ 87,702	$ 73,423	$ 65,529	$ 62,207
Capital expenditures:					
Automotive	**$ 72,628**	$ 91,359	$ 111,644	$ 68,062	$ 52,263
Industrial	**7,575**	8,340	6,187	5,695	3,922
Office products	**9,539**	13,294	6,002	8,893	12,354
Electrical/electronic materials	**1,406**	2,340	904	1,550	1,552
Corporate	**13,878**	315	1,307	1,514	1,986
Total capital expenditures	**$ 105,026**	$ 115,648	$ 126,044	$ 85,714	$ 72,077
Net sales:					
United States	**$ 9,716,029**	$ 9,609,225	$ 9,314,970	$ 8,768,737	$ 8,198,368
Canada	**1,219,759**	1,158,515	1,071,095	954,317	845,563
Mexico	**98,812**	96,460	94,578	90,011	83,410
Other	**(19,337)**	(21,005)	(22,701)	(30,015)	(30,074)
Total net sales	**$11,015,263**	$10,843,195	$10,457,942	$ 9,783,050	$ 9,097,267
Net long-lived assets:					
United States	**$ 484,713**	$ 419,289	$ 415,569	$ 388,916	$ 368,345
Canada	**93,919**	85,532	72,556	62,842	65,649
Mexico	**3,458**	3,621	3,389	3,254	3,066
Total net long-lived assets	**$ 582,090**	$ 508,442	$ 491,514	$ 455,012	$ 437,060

management's discussion and analysis of financial condition and results of operations 2008

overview

Genuine Parts Company is a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials. The Company has a long tradition of growth dating back to 1928, the year we were founded in Atlanta, Georgia. In 2008, business was conducted throughout the United States, Puerto Rico, Canada and Mexico from approximately 2,000 locations.

We recorded consolidated net sales of $11.0 billion for the year ended December 31, 2008, an increase of 2% compared to $10.8 billion in 2007. Consolidated net income for the year ended December 31, 2008, was $475 million, down 6% from $506 million in 2007. After achieving steady and consistent results through the first three quarters of the year, we experienced a weakening in demand across all of our business segments during the final quarter. Our businesses were impacted by the effects of reduced consumer spending, declining industrial production and higher unemployment, which we discuss further below.

Our 2008 revenue increase of 2% follows a 4% and 7% increase in revenues in 2007 and 2006, respectively. Our 6% decrease in net income follows a 7% increase in 2007 and double-digit earnings growth in each of the prior three years. During these periods, the Company has implemented a variety of initiatives in each of our four business segments to grow sales and earnings, including the introduction of new and expanded product lines, geographic expansion, sales to new markets, enhanced customer marketing programs and cost savings initiatives.

The following discussion addresses the major categories on the December 31, 2008 consolidated balance sheet. Our cash balance of $68 million was down $164 million or 71% from December 31, 2007, due mainly to $129 million in increased expenditures for dividends, share repurchases and acquisitions during the year as well as the $31 million decrease in net income. We are pleased with our use of cash in these areas. Accounts receivable increased by approximately 1%, which is less than our increase in annual revenues, and inventory was down by approximately 1%. Accounts payable increased $20 million or 2% from the prior year, due primarily to improved payment terms with certain suppliers and the expansion of our procurement card program begun in 2007. The prior year's current portion of debt of $250 million matured in November 2008 and was replaced on favorable terms with new borrowings maturing in 2013 and reclassified to long-term debt during the fourth quarter. Total debt outstanding at December 31, 2008 was unchanged from $500 million at December 31, 2007.

results of operations

Our results of operations are summarized below for the three years ended December 31, 2008, 2007 and 2006. Financial information for our four business segments is provided on the previous page.

(in thousands except per share data)	Year ended December 31, **2008**	2007	2006
Net Sales	**$11,015,263**	$10,843,195	$10,457,942
Gross Profit	**3,272,490**	3,217,223	3,104,495
Net Income	**475,417**	506,339	475,405
Diluted Earnings Per Share	**2.92**	2.98	2.76

Net Sales

Consolidated net sales for the year ended December 31, 2008 totaled $11.0 billion, another record level of revenue for the Company and a 2% increase from 2007. Similar to the prior year, the Industrial and Electrical business segments showed the strongest sales growth among our operations. The Automotive and Office segments continued to experience sluggish growth and, for the year, Automotive reported a slight sales increase, while Office reported a decrease in revenues. After reporting consistent sales growth through the first three quarters of the year, we experienced a significant weakening in demand across all our business segments during the final quarter, reflecting the effects of the worsening state of the economy, such as reduced consumer spending, declining industrial production and higher unemployment. Cumulatively, prices in 2008 were up approximately 6% in the Automotive segment, 8% in the Industrial and Electrical segments and 4% in the Office segment. These price increases reflect the highest inflationary period for the Company in many years.

Net sales for the year ended December 31, 2007 totaled $10.8 billion, a 4% increase from 2006. In 2007, the Industrial and Electrical business segments had the strongest sales improvement, with the Automotive segment showing slight progress in revenue growth and the Office segment reporting a slight decrease in revenues for the year. For 2007, prices were up approximately 2% in the Automotive segment, 5% in the Industrial and Electrical segments and 3% in the Office segment.

Automotive Group

Net sales for the Automotive Group ("Automotive") were $5.3 billion in 2008, essentially flat compared to 2007. In the first half of the year, Automotive sales were consistent with our 2007 results, but our rate of sales growth decreased during each succeeding quarter of the year, from 3% to 2% to 1% in the first, second and third quarters of 2008, respectively. This downward trend was partly due to the impact of the decrease in miles driven caused by high gas prices over most of the year. Demand weakened further in the fourth quarter, as evidenced by the decrease in consumer spending, resulting in a 6% sales decrease from the final quarter of 2007. This is consistent with historical patterns during a softening economy, when consumers defer or forego discretionary spending on automotive maintenance and supply items. Other factors impacting our Automotive sales for the year include acquisitions, which had a slightly positive effect on sales, and the sale of our Johnson Industries business in the first quarter of 2008, which had a negative 2% impact on sales.

Automotive sales were $5.3 billion in 2007, an increase of 2% from 2006. Our sales growth was relatively steady during the year, ranging from 2% to 3% by quarter, as the more challenging market conditions we began to see in the last half of 2006 continued throughout 2007 without any significant change. We observed the ongoing pressure of high gas prices on miles driven and consumer spending, which negatively impact aftermarket demand. The continued effectiveness of our growth initiatives, such as our major accounts programs, served to offset these conditions and, as a result, Automotive reported progress in 2007.

Industrial Group

Net sales for Motion Industries, our Industrial Group ("Industrial"), were $3.5 billion in 2008, an increase of 5% compared to 2007. Through the first three quarters of the year, sales held strong and were relatively consistent from quarter to quarter, increasing 6% in the first quarter and 7% in the second and third quarters. The fourth quarter proved to be more difficult for this business, due to the deteriorating economic environment, including worsening manufacturing production trends, and sales for the period were even with the fourth quarter of 2007. In 2008, sales were positively impacted by several acquisitions, which accounted for approximately 2% of Industrial's sales growth for the year.

Net sales were $3.4 billion in 2007, an increase of 8% compared to 2006. In 2007, this group recorded strong and consistent sales growth, with revenues increasing from 7% to 9% in each quarter of the year. Industrial participated in the continued strength of the markets it serves through initiatives such as product line expansion, targeted industry programs, branch expansion and acquisitions. In addition, Industrial expanded its distribution network by opening four new locations and by adding another eight locations via five acquisitions.

Office Group

Net sales for S.P. Richards, our Office Products Group ("Office"), were $1.7 billion in 2008, down 2% compared to the prior year. 2008 represents the second consecutive year of decreased revenues for Office and is indicative of the continued industry-wide slow down in office products consumption. During the year, sales were down 2% in the first quarter and even with the prior year periods in the second and third quarters. Demand in the fourth quarter worsened, consistent with the significant increase in unemployment for the period, and sales were down 5% from the 2007 fourth quarter. For the year, sales were positively impacted by three acquisitions, which contributed nearly 2% to sales in Office. The increase in net sales due to acquisitions, as well as our sales initiatives, were more than offset by the prevailing poor conditions in the office products industry.

Net sales for 2007 were $1.8 billion, down 1% compared to 2006. Weak demand in the overall office products industry, which we began to see in 2006, negatively impacted our results in 2007. Primarily, depressed sales activity with our national accounts customer base offset steady sales growth to independent dealers during the year. After a 3% sales decrease in the first quarter, sales increased 1% in the second quarter, were flat in the third quarter and decreased 1% in the fourth quarter.

Electrical Group

Net sales for EIS, our Electrical and Electronic Group ("Electrical"), improved to $466 million in 2008, an increase in sales of 7% for the second consecutive year. Electrical sales were strong through the first nine months of the year, increasing 7% in the first quarter, 11% in the second quarter and 13% in the third quarter. The deteriorating economy, including manufacturing contraction as measured by the Institute for Supply Management's Purchasing Managers Index, as well as decreasing commodity prices in a major product category, had a significant impact on this business in the fourth quarter and sales decreased 4% from the same period in 2007. Acquisitions during the year had a positive 2% impact on Electrical sales in 2008 and, combined with Electrical's sales initiatives, partially offset the weakening conditions in the marketplace in the last quarter of the year.

Net sales increased by 7% to $436 million in 2007. The sales progress at Electrical reflected favorable market conditions, as evidenced by continued manufacturing expansion in the U.S during the year. Also, this group's focus on new products and markets, geographic expansion and strategic customer and supplier relationships served as key sales initiatives at Electrical. During 2007, sales were up 12% in the first quarter, 7% in the second quarter, 4% in the third quarter and 6% in the fourth quarter.

Cost of Goods Sold

Cost of goods sold was $7.7 billion, $7.6 billion and $7.4 billion in 2008, 2007 and 2006, respectively, and represents 70.3% of net sales in all three years. The constant rate over these three periods reflects how our ongoing gross margin initiatives to enhance our pricing strategies, promote and sell higher margin products and minimize material acquisition costs were offset by increasing competitive pricing pressures in the markets we serve.

In 2008, 2007, and 2006, each of our four business segments experienced vendor price increases, and by working with our customers we were able to pass most of these along to them.

Operating Expenses

Selling, administrative and other expenses ("SG&A") increased slightly to $2.4 billion in 2008, representing 21.4% of net sales and up from 21.0% of net sales in 2007. SG&A expenses as a percentage of net sales increased from the prior year despite the benefits of our ongoing cost control initiatives, which, for 2008, were offset by the lower level of sales growth relative to the prior year. Our cost management initiatives emphasize continuous improvement programs designed to optimize our utilization of people and systems which is especially important in a difficult economy. During 2008, the Company reduced its workforce by approximately 5% in an effort to properly adjust our costs to lower sales volumes. We also have initiatives in place to further reduce our expenses, including additional reductions associated with personnel costs as well as planned savings in areas such as fleet management and fuel and energy consumption. Our management teams are focused on the ongoing assessment of the appropriate cost structure in our businesses and the need for additional cost reductions, while maintaining our high standards for excellent customer service.

Depreciation and amortization expense in 2008 was $89 million, relatively consistent with 2007. The provision for doubtful accounts was $24 million in 2008, up from a $14 million bad debt expense in 2007. Our bad debt expense reflects an increase in uncollectible accounts receivables in 2008 and is likely directly correlated to the effects of the difficult economic climate, which has pressured certain of our customers. We believe the Company is adequately reserved for bad debts at December 31, 2008.

In 2007, SG&A increased slightly to $2.3 billion, or 21.0% of net sales, which was improved from 2006 when SG&A as a percent of net sales was 21.2%. Depreciation and amortization expense in 2007 was $88 million, up 19% from 2006, reflecting our increased level of capital spending in 2006 and 2007 relative to the previous few years. The provision for doubtful accounts was $14 million in 2007, down from a $16 million bad debt expense in 2006.

Non-Operating Expenses and Income

Non-operating expenses consist primarily of interest. Interest expense was relatively steady over the last three years, at $32 million, $31 million and $32 million in 2008, 2007 and 2006, respectively.

In "Other", interest income net of minority interests decreased in 2008 from the prior two years due to the effects of lower interest rates and reduced cash balances on which interest income is earned.

Income Before Income Taxes

Income before income taxes was $768 million in 2008, a decrease of 5.9% from $817 million in 2007. As a percentage of net sales, income before income taxes was 7.0% in 2008, reflecting a decrease from 7.5% in 2007. In 2007, income before income taxes of $817 million was up 5.9% from $771 million in 2006 and as a percentage of net sales was 7.5%, up from 7.4% in 2006.

Automotive Group

Automotive income before income taxes as a percentage of net sales, which we refer to as operating margin, decreased to 7.2% in 2008 from 7.8% in 2007. The decline in operating margin for 2008 is attributed to Automotive's lower sales volume for the year, partially offset by the benefit of cost reduction measures. Automotive's initiatives to grow sales and control costs are intended to improve its operating margin in the years ahead.

Automotive operating margins increased to 7.8% in 2007 from 7.7% in 2006. Our progress in 2007 primarily related to non-recurring costs incurred in 2006 for certain closing and consolidation expenses at Johnson Industries and our re-manufacturing operations.

Industrial Group

Industrial operating margins were 8.4% in 2008, which is unchanged from the operating margin in 2007 and up from 8.3% in 2006. After several years of ongoing operating margin improvement for Industrial, the lower level of sales growth in 2008 offset the effectiveness of our sales and operating initiatives. We will continue to focus on these initiatives, however, to show progress in the years ahead.

Office Group

Operating margins in Office were 8.3% in 2008, down from 8.9% in 2007 and 9.4% in 2006. The prevailing weakness in the office products industry that began in the latter part of 2006 continued to pressure the operating margins at Office in 2007 and 2008, and we will likely face more moderation in demand over the next several quarters. As we work to better align our costs to revenues, our near term sales initiatives at Office are focused on capturing additional market share.

Electrical Group

Operating margins in Electrical increased to 7.9% in 2008, up from 7.0% in 2007 and 5.5% in 2006. Our progress in 2008 represents the fifth consecutive year of operating margin improvement for Electrical. The manufacturing sector of the economy was strong over most of this five-year period, which helped drive Electrician's progress. Assuming a weak manufacturing sector for the near term, Electrical will rely more on its sales and cost initiatives than the strength of the manufacturing sector for continued progress.

Income Taxes

The effective income tax rate increased to 38.1% in 2008 from 38.0% in 2007. The net increase from the prior year rate is mainly due to a non-deductible expense associated with a Company retirement plan. The 38.0% tax rate in 2007 had decreased from 38.3% in 2006. The decrease in the effective rate in 2007 was primarily due to lower state taxes and favorable tax rate changes in Canada.

Net Income

Net income was $475 million in 2008, a decrease of 6% from $506 million in 2007. On a per share diluted basis, net income was $2.92 in 2008 compared to $2.98 in 2007, down 2%. Net income in 2008 was 4.3% of net sales compared to 4.7% of net sales in 2007.

Net income of $506 million in 2007 was up 7% from $475 million in 2006 and, on a per share diluted basis, net income was $2.98 in 2007 compared to $2.76 in 2006. Net income was 4.7% of net sales in 2007, an increase from 4.5% of net sales in 2006.

Share-Based Compensation

Effective January 1, 2006 the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123(R), Share Based Payment, choosing the "modified prospective" method. Compensation cost recognized for the year ended December 31, 2006 includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, Accounting for Stock Based Compensation, and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated with the provisions of SFAS No. 123(R). Most options may be exercised not earlier than twelve months nor later than ten years from the date of grant. As of January 1, 2006, there was approximately $1.2 million of unrecognized compensation cost for all awards granted prior to January 1, 2003 to employees that remained unvested prior to the effective date of SFAS No. 123(R). This compensation cost is being recognized over a weighted-average period of approximately four years. For the year ended December 31, 2008, total compensation cost related to nonvested awards not yet recognized was approximately $19.6 million. The weighted-average period over which this compensation cost is expected to be recognized is approximately three years. For the years ended December 31, 2008, 2007 and 2006, $13.0 million, $14.3 million, and $11.9 million of share-based compensation cost was recorded, respectively. There have been no modifications to valuation methodologies or methods subsequent to the adoption of SFAS No. 123(R).

financial condition

The following is a discussion of the Company's financial condition at December 31, 2008. Our cash balance of $68 million was down $164 million or 71% from December 31, 2007, due primarily to increased expenditures of $9 million for dividends, $32 million for share repurchases and $89 million for acquisitions during the year as well as the $31 million decrease in net income. The Company's accounts receivable balance at December 31, 2008 increased by approximately 1% from the prior year, which is less than our increase in annual revenues. Inventory at December 31, 2008 was down by approximately 1% from December 31, 2007, also favorable to our increase in sales for the year. Goodwill and other intangible assets increased by $76 million or 93% from December 31, 2007 and relates to the Company's acquisitions during the year. The changes in our December 31, 2008 balances for deferred taxes, up $183 million, and other assets, down $63 million, from 2007, respectively, as well as pension and other post-retirement benefits liabilities, up $411 million, are primarily due to changes in the funded status of the Company's pension and other post-retirement plans in 2008. Accounts payable increased $20 million or 2% from the prior year, due primarily to improved payment terms with certain suppliers and the expansion of our procurement card program in 2008. The prior year's current portion of debt of $250 million matured in November 2008 and was replaced on favorable terms with new borrowings maturing in 2013 and reclassified to long-term debt during the fourth quarter.

liquidity and capital resources

The Company's sources of capital consist primarily of cash flows from operations, supplemented as necessary by private issuances of debt and bank borrowings. We have $500 million of long-term debt outstanding at December 31,2008, of which $250 million matures in 2011 and $250 million matures in 2013. The capital and credit markets have become tighter and more volatile in recent months and if these conditions continue or worsen, they are likely to impact our access to these markets. Currently, we believe that our available short-term and long-term sources of capital are sufficient to fund the Company's operations, including working capital requirements, scheduled debt payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations, dividends, share repurchases and contemplated acquisitions.

The ratio of current assets to current liabilities was 3.0 to 1 at December 31, 2008 compared to 2.6 to 1 at December 31, 2007. The change in current ratio was primarily due to the reclassification of $250 million in the current portion of debt which matured in November 2008. Our liquidity position remains solid. The Company had $500 million in total debt outstanding at December 31, 2008 and 2007. In addition, at December 31, 2008, the Company had available a $350 million unsecured revolving line of credit. No amounts are outstanding under the line of credit at December 31, 2008 and 2007.

A summary of the Company's consolidated statements of cash flows is as follows:

	Year Ended December 31, (in thousands)			Percent Change	
Net Cash Provided by (Used in):	**2008**	2007	2006	2008 vs. 2007	2007 vs. 2006
Operating Activities	**$ 530,309**	$ 641,471	$ 433,500	-17%	48%
Investing Activities	**(214,334)**	(87,598)	(145,599)	145%	-40%
Financing Activities	**(472,573)**	(469,496)	(340,729)	1%	38%

Net Cash Provided by Operating Activities:

The Company continues to generate cash, with net cash provided by operating activities totaling $530 million in 2008. This represents a 17% decrease from 2007, when net cash provided by operating activities was especially strong at $641 million. Primarily, the change in 2008 was due to the $116 million net increase in cash used for working capital requirements, including accounts receivable, inventory and accounts payable, as well as the $31 million decrease in net income from 2007. For 2007, the $31 million increase in net income as well as $167 million in working capital gains during the year resulted in a 48% increase in net cash from operations compared to 2006.

Net Cash Used in Investing Activities:

Net cash flow used in investing activities was $214 million in 2008 compared to $88 million in 2007, an increase of 145%. Primarily, the change in investing activities was due to the $89 million increase in cash used for the acquisition of businesses in 2008 and the $56 million decrease in cash proceeds from the sale of assets during the year, relative to 2007. In 2007, a sale-leaseback transaction for certain real properties provided the Company $56 million in cash proceeds. Such sale-leaseback proceeds also explain the 40% decrease in net cash used in investing activities in 2007 compared to 2006.

Net Cash Used in Financing Activities:

The Company used $473 million of cash in financing activities in 2008, which was relatively consistent with 2007. For the three years presented, net cash used in financing activities was primarily for dividends paid to shareholders and the repurchase of the Company’s common stock. The Company paid dividends to shareholders of $252 million, $243 million and $228 million during 2008, 2007, and 2006, respectively. The Company expects this trend of increasing dividends to continue in the foreseeable future. During 2008, 2007 and 2006, the Company repurchased $273 million, $241 million and $123 million, respectively, of the Company’s common stock. We expect to remain active in our share repurchase program, but the amount and value of shares repurchased will vary annually.

Notes and Other Borrowings

The Company maintains a $350 million unsecured revolving line of credit with a consortium of financial institutions, which matures in December 2012 and bears interest at LIBOR plus .23%. (0.69% at December 31, 2008). At December 31, 2008 and 2007, no amounts were outstanding under the line of credit. Due to the workers’ compensation and insurance reserve requirements in certain states, the Company also had unused letters of credit of approximately $51 million and $56 million outstanding at December 31, 2008 and 2007, respectively.

At December 31,2008, the Company had unsecured Senior Notes outstanding under a $500 million financing arrangement as follows: $250 million, Series B, 6.23% fixed, due 2011; and $250 million senior unsecured note, 4.67% fixed, due 2013. Certain borrowings contain covenants related to a maximum debt-to-capitalization ratio and certain limitations on additional borrowings. At December 31, 2008, the Company was in compliance with all such covenants. The weighted average interest rate on the Company’s outstanding borrowings was approximately 5.45% at December 31, 2008 and 6.05% at December 31, 2007. Total interest expense, net of interest income, for all borrowings was $29.8 million, $21.1 million and $26.4 million in 2008, 2007 and 2006, respectively.

Construction and Lease Agreement

The Company also has an $85 million construction and lease agreement with an unaffiliated third party. Properties acquired by the lessor are constructed and then leased to the Company under operating lease agreements. The total amount advanced and outstanding under this agreement at December 31, 2008 was approximately $72 million. Since the resulting leases are operating leases, no debt obligation is recorded on the Company’s consolidated balance sheet. This construction and lease agreement expires in 2009 and no additional properties are being added to this agreement, as the construction term has ended. Lease payments fluctuate based upon current interest rates and are generally based upon LIBOR plus .50%. The lease agreement contains residual value guarantee provisions and guarantees under events of default. Although management believes the likelihood of funding to be remote, the maximum guarantee obligation, which represents our residual value guarantee, under the construction and lease agreement is approximately $63 million at December 31, 2008. Refer to Notes 4 and 8 to the Consolidated Financial Statements for further information regarding this arrangement.

Contractual and Other Obligations

In October 2007, the Company entered into a sale-leaseback transaction with a financial institution. In connection with the transaction, the Company sold certain automotive retail store properties and immediately leased the properties back over a lease term of twenty years. The lease was classified as an operating lease. Net proceeds from the transaction amounted to approximately $56 million. The Company realized a net gain of approximately $20 million, which was deferred and will be amortized over the lease term.

The following table shows the Company’s approximate obligations and commitments, including interest due on credit facilities, to make future payments under contractual obligations as of December 31, 2008:

(in thousands)	Total	Less than 1 year	1-3 yrs	3-5 yrs	Over 5 years
		Payment Due by Period			
Credit facilities	$ 602,829	$ 27,250	$ 303,202	$ 272,377	$ —
Capital leases	7,703	1,634	2,317	1,728	2,024
Operating leases	512,812	121,505	149,333	93,545	148,429
Total contractual cash obligations	$1,123,344	$ 150,389	$454,852	$367,650	$150,453

Due to the uncertainty of the timing of future cash flows associated with the Company's unrecognized tax benefits at December 31, 2008, the Company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, $36 million of unrecognized tax benefits have been excluded from the contractual obligations table above. Refer to Note 6 to the Consolidated Financial Statements for a discussion on income taxes.

Purchase orders or contracts for the purchase of inventory and other goods and services are not included in our estimates. We are not able to determine the aggregate amount of such purchase orders that represent contractual obligations, as purchase orders may represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current distribution needs and are fulfilled by our vendors within short time horizons. The Company does not have significant agreements for the purchase of inventory or other goods specifying minimum quantities or set prices that exceed our expected requirements.

As discussed in 'Construction and Lease Agreement' above, the Company has approximately $72 million outstanding under a construction and lease agreement which expires in 2009. In addition, the Company guarantees the borrowings of certain independently controlled automotive parts stores (independents) and certain other affiliates in which the Company has a minority equity ownership interest (affiliates). The Company's maximum exposure to loss as a result of its involvement with these independents and affiliates is equal to the total borrowings subject to the Company's guarantee. To date, the Company has had no significant losses in connection with guarantees of independents' and affiliates' borrowings.

The following table shows the Company's approximate commercial commitments under these two arrangements as of December 31, 2008:

(in thousands)	Total Amounts Committed	Less than 1 year	1-3 years	3-5 years	Over 5 years
		Amount of Commitment Expiration per Period			
Line of Credit	—	—	—	—	—
Standby letters of credit	$ 50,553	$ 50,553	$ —	$ —	$ —
Guaranteed borrowings of independents and affiliates	189,946	57,271	20,975	13,984	97,716
Residual value guarantee under operating leases	62,678	62,678	—	—	—
Total commercial commitments	$ 303,177	$170,502	$20,975	$13,984	$ 97,716

In addition, the Company sponsors defined benefit pension plans that may obligate us to make contributions to the plans from time to time. Contributions in 2008 were $3 million. We expect to make a $53 million cash contribution to our qualified defined benefit plans in 2009, and contributions required for 2010 and future years will depend on a number of unpredictable factors including the market performance of the plans' assets and future changes in interest rates that affect the actuarial measurement of the plans' obligations.

Share Repurchases

On August 21, 2006, our Board of Directors authorized the repurchase of 15 million shares of our common stock, and on November 17, 2008, the Board authorized the repurchase of an additional 15 million shares. Such repurchase plans were announced on August 21, 2006 and November 17, 2008, respectively. The authorization for these repurchase plans continues until all such shares have been repurchased or the repurchase plan is terminated by action of the Board of Directors. In 2008, the Company repurchased approximately 6.8 million shares and the Company had remaining authority to purchase approximately 18.5 million shares at December 31, 2008.

critical accounting estimates

General

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are uncertain at the time the estimate is made and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements. Management believes the following critical accounting policies reflect its most significant estimates and assumptions used in the preparation of the consolidated financial statements. For further information on the critical accounting policies, see Note 1 of the notes to our consolidated financial statements.

Inventories — Provisions for Slow Moving and Obsolescence

The Company identifies slow moving or obsolete inventories and estimates appropriate loss provisions related thereto. Historically, these loss provisions have not been significant as the vast majority of the Company's inventories are not highly susceptible to obsolescence and are eligible for return under various vendor return programs. While the Company has no reason to believe its inventory return privileges will be discontinued in the future, its risk of loss associated with obsolete or slow moving inventories would increase if such were to occur.

Allowance for Doubtful Accounts — Methodology

The Company evaluates the collectibility of accounts receivable based on a combination of factors. Initially, the Company estimates an allowance for doubtful accounts as a percentage of net sales based on historical bad debt experience. This initial estimate is periodically adjusted when the Company becomes aware of a specific customer's inability to meet its financial obligations (e.g., bankruptcy filing) or as a result of changes in the overall aging of accounts receivable. While the Company has a large customer base that is geographically dispersed, a general economic downturn in any of the industry segments in which the Company operates could result in higher than expected defaults and, therefore, the need to revise estimates for bad debts. For the years ended December 31, 2008, 2007 and 2006, the Company recorded provisions for bad debts of $23.9 million, $13.5 million, and $16.5 million, respectively.

Consideration Received from Vendors

The Company enters into agreements at the beginning of each year with many of its vendors providing for inventory purchase incentives and advertising allowances. Generally, the Company earns inventory purchase incentives upon achieving specified volume purchasing levels and advertising allowances upon fulfilling its obligations related to cooperative advertising programs. The Company accrues for the receipt of inventory purchase incentives as part of its inventory cost based on cumulative purchases of inventory to date and projected inventory purchases through the end of the year and, in the case of advertising allowances, upon completion of the Company's obligations related thereto. While management believes the Company will continue to receive such amounts in 2009 and beyond, there can be no assurance that vendors will continue to provide comparable amounts of incentives and allowances in the future.

Impairment of Property, Plant and Equipment and Goodwill and Other Intangible Assets

At least annually, the Company evaluates property, plant and equipment, goodwill and other intangible assets for potential impairment indicators. The Company's judgments regarding the existence of impairment indicators are based on market conditions and operational performance, among other factors. Future events could cause the Company to conclude that impairment indicators exist and that assets associated with a particular operation are impaired. Evaluating the impairment also requires the Company to estimate future operating results and cash flows which require judgment by management. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

Employee Benefit Plans

The Company's benefit plan committees in the U.S. and Canada establish investment policies and strategies and regularly monitor the performance of the Company's pension plan assets. The pension plan investment strategy implemented by the Company's management is to achieve long-term objectives and invest the pension assets in accordance with the applicable pension legislation in the U.S. and Canada and fiduciary standards. The long-term primary objectives for the pension plan funds are to provide for a reasonable amount of long-term growth of capital without undue exposure to risk, protect the assets from erosion of purchasing power and provide investment results that meet or exceed the pension plan's actuarially assumed long term rate of return.

Based on the investment policy for the U.S. pension plan, as well as an asset study that was performed based on the Company's asset allocations and future expectations, the Company's expected rate of return on plan assets for measuring 2009 pension expense or income is 8.00% for the U.S. plan. The asset study forecasted expected rates of return for the approximate duration of the Company's benefit obligations, using capital market data and historical relationships.

The discount rate is chosen as the rate at which pension obligations could be effectively settled and is based on capital market conditions as of the measurement date. We have matched the timing and duration of the expected cash flows of our pension obligations to a yield curve generated from a broad portfolio of high-quality fixed income debt instruments to select our discount rate. Based upon this cash flow matching analysis, we selected a weighted average discount rate for the U.S. plans of 6.50% at December 31, 2008.

Net periodic cost for our defined benefit pension plans was $46.9 million, $51.2 million and $48.2 million for the years ended December 31, 2008, 2007 and 2006, respectively. The pension cost over these periods was influenced by the change in assumptions for the rate of return on plan assets, the discount rate and the rate of compensation increases. Refer to Note 7 to the Consolidated Financial Statements for more information regarding employee benefit plans.

On September 29, 2006, the Financial Accounting Standards Board issued SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. SFAS No. 158 was effective for public companies for fiscal years ending after December 15, 2006. The Company adopted the balance sheet recognition provisions of SFAS No. 158 at the end of fiscal year 2006.

The Company has evaluated the potential impact of the Pension Protection Act ("the Act"),which was passed into law on August 17, 2006, on future U.S. pension plan funding requirements based on current market conditions. The Act is not anticipated to have a material effect on the Company's liquidity and capital resources.

quarterly results of operations

The following is a summary of the quarterly results of operations for the years ended December 31, 2008 and 2007:

We reported the quarterly earnings per share amounts as if each quarter was a discrete period. As a result, the sum of the basic and diluted earnings per share will not necessarily total the annual basic and diluted earnings per share.

	Three Months Ended			
	March 31,	June 30,	Sept. 30,	Dec. 31,
	(in thousands except per share data)			
2008				
Net Sales	**$ 2,739,473**	**$ 2,873,485**	**$ 2,882,115**	**$ 2,520,190**
Gross Profit	**819,483**	**852,213**	**849,005**	**751,789**
Net Income	**123,543**	**133,073**	**131,017**	**87,784**
Earnings Per Share:				
Basic	**.75**	**.81**	**.81**	**.55**
Diluted	**.75**	**.81**	**.81**	**.55**
2007				
Net Sales	$2,648,843	$2,769,527	$2,797,556	$2,627,269
Gross Profit	789,944	824,585	824,488	778,206
Net Income	121,553	130,121	128,580	126,085
Earnings Per Share:				
Basic	.71	.76	.76	.76
Diluted	.71	.76	.76	.75

The preparation of interim consolidated financial statements requires management to make estimates and assumptions for the amounts reported in the interim condensed consolidated financial statements. Specifically, the Company makes certain estimates in its interim consolidated financial statements for the accrual of bad debts, inventory adjustments and discounts and volume incentives earned. Bad debts are accrued based on a percentage of sales, and volume incentives are estimated based upon cumulative and projected purchasing levels. Inventory adjustments are accrued on an interim basis and adjusted in the fourth quarter based on the annual October 31 book-to-physical inventory adjustment. The methodology and practices used in deriving estimates for interim reporting typically results in adjustments upon accurate determination at year-end. The effect of these adjustments in 2008 and 2007 was not significant.

forward looking statements

Some statements in this report, as well as in other materials we file with the Securities and Exchange Commission (SEC) or otherwise release to the public and in materials that we make available on our website, constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking. Forward-looking statements may relate, for example, to future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. The Company cautions that its forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors include, but are not limited to, the ability to maintain favorable supplier arrangements and relationships, changes in general economic conditions, the growth rate of the market demand for the Company's products and services, competitive product, service and pricing pressures, including internet related initiatives, the effectiveness of the Company's promotional, marketing and advertising programs, changes in the financial markets, including particularly the capital and credit markets, changes in laws and regulations, including changes in accounting and taxation guidance, the uncertainties of litigation, as well as other risks and uncertainties discussed in the Company's Annual Report on Form 10-K for 2008 and from time to time in the Company's subsequent filings with the SEC.

Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our Form 10-Q, Form 8-K and other reports to the SEC.

report of management

Genuine Parts Company

Management's Responsibility for the Financial Statements

We have prepared the accompanying consolidated financial statements and related information included herein for the years ended December 31, 2008, 2007 and 2006. The opinion of Ernst & Young LLP, the Company's independent registered public accounting firm, on those consolidated financial statements is included herein. The primary responsibility for the integrity of the financial information included in this annual report rests with management. Such information was prepared in accordance with generally accepted accounting principles appropriate in the circumstances based on our best estimates and judgments and giving due consideration to materiality.

Management's Report on Internal Control over Financial Reporting

The management of Genuine Parts Company and its subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934.

The Company's internal control system was designed to provide reasonable assurance to the Company's management and to the board of directors regarding the preparation and fair presentation of the Company's published consolidated financial statements. The Company's internal control over financial reporting includes those policies and procedures that:

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008.

In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control-Integrated Framework." Based on this assessment, management concluded that, as of December 31, 2008, the Company's internal control over financial reporting was effective.

Ernst & Young LLP has issued an audit report on the Company's operating effectiveness of internal control over financial reporting as of December 31, 2008. This report appears on page 25.

Audit Committee Responsibility

The Audit Committee of Genuine Parts Company's Board of Directors is responsible for reviewing and monitoring the Company's financial reports and accounting practices to ascertain that they are within acceptable limits of sound practice in such matters. The membership of the Committee consists of non-employee Directors. At periodic meetings, the Audit Committee discusses audit and financial reporting matters and the internal audit function with representatives of financial management and with representatives from Ernst & Young LLP.

JERRY W. NIX
Vice Chairman and Chief Financial Officer
February 25, 2009

report of independent registered public accounting firm on internal control over financial accounting

The Board of Directors and Shareholders of Genuine Parts Company

We have audited Genuine Parts Company's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Genuine Parts Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Genuine Parts Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Genuine Parts Company as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008 of Genuine Parts Company and our report dated February 25, 2009 expressed an unqualified opinion thereon.

Ernst + Young LLP

Atlanta, Georgia
February 25, 2009

report of independent registered public accounting firm on the financial Statements

The Board of Directors and Shareholders of Genuine Parts Company

We have audited the accompanying consolidated balance sheets of Genuine Parts Company as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Genuine Parts Company at December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 7, effective December 31, 2006, the Company adopted Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefits.*

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Genuine Parts Company's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2009 expressed an unqualified opinion thereon.

Ernst + Young LLP

Atlanta, Georgia

consolidated balance sheets

(in thousands, except share data and per share amounts) December 31,	**2008**	2007
Assets		
Current assets:		
Cash and cash equivalents	**$ 67,777**	$ 231,837
Trade accounts receivable, net	**1,224,525**	1,216,220
Merchandise inventories, net	**2,316,880**	2,335,716
Prepaid expenses and other current assets	**262,238**	269,239
Total current assets	**3,871,420**	4,053,012
Goodwill and other intangible assets, less accumulated amortization	**158,825**	82,453
Deferred tax asset	**218,503**	35,778
Other assets	**114,337**	176,837
Property, plant, and equipment:		
Land	**51,835**	47,415
Buildings, less allowance for depreciation (2008 — $158,019; 2007 — $153,869)	**151,959**	143,685
Machinery and equipment, less allowance for depreciation (2008 — $470,513; 2007 — $469,909)	**219,471**	234,889
Net property, plant, and equipment	**423,265**	425,989
	$ 4,786,350	$ 4,774,069
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable	**$ 1,009,423**	$ 989,816
Current portion of debt	—	250,000
Accrued compensation	**106,731**	102,027
Other accrued expenses	**84,116**	99,766
Dividends payable	**62,148**	60,789
Income taxes payable	**24,685**	45,578
Total current liabilities	**1,287,103**	1,547,976
Long-term debt	**500,000**	250,000
Minority interests in subsidiaries	**69,046**	66,230
Pension and other post-retirement benefit liabilities	**502,605**	91,159
Other long-term liabilities	**103,264**	101,988
Shareholders' equity:		
Preferred stock, par value $1 per share — authorized 10,000,000 shares; none issued	—	—
Common stock, par value $1 per share — authorized 450,000,000 shares; issued and outstanding 159,442,508 in 2008 and 166,065,250 shares in 2007	**159,443**	166,065
Accumulated other comprehensive (loss) income	**(478,562)**	(123,715)
Retained earnings	**2,643,451**	2,674,366
Total shareholders' equity	**2,324,332**	2,716,716
	$ 4,786,350	$ 4,774,069

See accompanying notes.

consolidated statements of income

(in thousands, except per share amounts) Year ended December 31,	**2008**	2007	2006
Net sales	**$11,015,263**	$10,843,195	$10,457,942
Cost of goods sold	**7,742,773**	7,625,972	7,353,447
Gross margin	**3,272,490**	3,217,223	3,104,495
Operating expenses:			
Selling, administrative, and other expenses	**2,359,829**	2,278,155	2,217,882
Depreciation and amortization	**88,698**	87,702	73,423
Provision for doubtful accounts	**23,883**	13,514	16,472
Total operating expenses	**2,472,410**	2,379,371	2,307,777
Non-operating expenses (income):			
Interest expense	**31,721**	31,327	31,576
Other	**(109)**	(10,220)	(5,774)
Total non-operating expenses	**31,612**	21,107	25,802
Income before income taxes	**768,468**	816,745	770,916
Income taxes	**293,051**	310,406	295,511
Net income	**$ 475,417**	$ 506,339	$ 475,405
Basic net income per common share	**$ 2.93**	$ 2.99	$ 2.77
Diluted net income per common share	**$ 2.92**	$ 2.98	$ 2.76
Weighted average common shares outstanding	**162,351**	169,129	171,576
Dilutive effect of stock options and non-vested restricted stock awards	**635**	1,006	910
Weighted average common shares outstanding — assuming dilution	**162,986**	170,135	172,486

See accompanying notes.

consolidated statements of shareholders' equity

(in thousands, except share and per share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
Balance at January 1, 2006	173,032,697	$ 173,033	$ —	$ 45,535	$ 2,475,389	$2,693,957
Net income	—	—	—	—	475,405	475,405
Foreign currency translation adjustment	—	—	—	(2,341)	—	(2,341)
Changes in fair value of derivative instruments, net of income taxes of $201	—	—	—	322	—	322
Change in minimum pension liability, net of income taxes of $922	—	—	—	(1,265)	—	(1,265)
Comprehensive income						472,121
Pension and postretirement benefit adjustment, net of income taxes of $187,371 (1)	—	—	—	(284,785)	—	(284,785)
Cash dividends declared, $1.35 per share	—	—	—	—	(231,454)	(231,454)
Stock options exercised, including tax benefit of $3,005	432,694	433	11,249	—	—	11,682
Stock-based compensation	—	—	11,948	—	—	11,948
Purchase of stock	(2,934,517)	(2,935)	(23,197)	—	(97,346)	(123,478)
Balance at December 31, 2006	170,530,874	170,531	—	(242,534)	2,621,994	2,549,991
Net income	—	—	—	—	506,339	506,339
Foreign currency translation adjustment	—	—	—	78,877	—	78,877
Changes in fair value of derivative instruments, net of income taxes of $184	—	—	—	296	—	296
Pension and postretirement benefit adjustment, net of income taxes of $24,278	—	—	—	39,646	—	39,646
Comprehensive income						625,158
Cash dividends declared, $1.46 per share	—	—	—	—	(246,481)	(246,481)
Stock options exercised, including tax benefit of $4,438	530,262	530	14,438	—	—	14,968
Stock-based compensation	—	—	14,300	—	—	14,300
Purchase of stock	(4,995,886)	(4,996)	(28,738)	—	(207,486)	(241,220)
Balance at December 31, 2007	166,065,250	166,065	—	(123,715)	2,674,366	2,716,716
Net income	—	—	—	—	**475,417**	**475,417**
Foreign currency translation adjustment	—	—	—	**(112,150)**	**—**	**(112,150)**
Pension and postretirement benefit adjustment, net of income taxes of $160,695	—	—	—	**(242,697)**	**—**	**(242,697)**
Comprehensive income						**120,570**
Cash dividends declared, $1.56 per share	—	—	—	—	**(253,166)**	**(253,166)**
Stock options exercised, net of income taxes of $586	**157,643**	**158**	**77**	**—**	**—**	**235**
Stock-based compensation	—	—	**12,977**	**—**	**—**	**12,977**
Purchase of stock	**(6,780,385)**	**(6,780)**	**(13,054)**	**—**	**(253,166)**	**(273,000)**
Balance at December 31, 2008	**159,442,508**	**$ 159,443**	**$ —**	**$ (478,562)**	**$ 2,643,451**	**$ 2,324,332**

See accompanying notes.

(1) *The pension and postretirement benefit adjustment relates to the adoption of SFAS No. 158 as described further in Note 7.*

consolidated statements of cash flows

(in thousands) Year ended December 31,	**2008**	2007	2006
Operating activities			
Net income	**$ 475,417**	$ 506,339	$ 475,405
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**88,698**	87,702	73,423
Excess tax expense (benefits) from share-based compensation	**586**	(4,438)	(3,005)
(Gain) Loss on sale of property, plant, and equipment	**(2,086)**	(2,214)	509
Deferred income taxes	**(40,023)**	(8,066)	(5,481)
Minority interests	**4,561**	4,939	3,991
Stock-based compensation	**12,977**	14,300	11,948
Changes in operating assets and liabilities:			
Trade accounts receivable, net	**(19,695)**	38,330	(31,821)
Merchandise inventories, net	**(20,709)**	(42,087)	(7,240)
Trade accounts payable	**(14,307)**	65,103	(66,116)
Other long-term assets	**49,729**	(11,806)	(7,052)
Other, net	**(4,839)**	(6,631)	(11,061)
	54,892	135,132	(41,905)
Net cash provided by operating activities	**530,309**	641,471	433,500
Investing activities			
Purchases of property, plant and equipment	**(105,026)**	(115,648)	(126,044)
Proceeds from sale of property, plant, and equipment	**11,721**	67,656	4,452
Acquisition of businesses and other investments	**(133,604)**	(44,855)	(29,007)
Proceeds from disposal of businesses	**12,575**	5,249	—
Other	**—**	—	5,000
Net cash used in investing activities	**(214,334)**	(87,598)	(145,599)
Financing activities			
Proceeds from debt	**1,283,000**	—	160,000
Payments on debt	**(1,283,000)**	—	(160,881)
Stock options exercised	**821**	10,530	8,677
Excess tax (expense) benefits from share-based compensation	**(586)**	4,438	3,005
Dividends paid	**(251,808)**	(243,244)	(228,052)
Purchase of stock	**(273,000)**	(241,220)	(123,478)
Other	**52,000**	—	—
Net cash used in financing activities	**(472,573)**	(469,496)	(340,729)
Effect of exchange rate changes on cash	**(7,462)**	11,487	(110)
Net (decrease) increase in cash and cash equivalents	**(164,060)**	95,864	(52,938)
Cash and cash equivalents at beginning of year	**231,837**	135,973	188,911
Cash and cash equivalents at end of year	**$ 67,777**	$ 231,837	$ 135,973
Supplemental disclosures of cash flow information			
Cash paid during the year for:			
Income taxes	**$ 338,859**	$ 324,399	$ 285,696
Interest	**$ 31,297**	$ 31,540	$ 32,521

See accompanying notes.

notes to consolidated financial statements
december 31, 2008

1. summary of significant accounting policies

Business

Genuine Parts Company and all of its majority-owned subsidiaries (the Company) is a distributor of automotive replacement parts, industrial replacement parts, office products, and electrical/electronic materials. The Company serves a diverse customer base through more than 2,000 locations in North America and, therefore, has limited exposure from credit losses to any particular customer, region, or industry segment. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral.

Principles of Consolidation

The consolidated financial statements include all of the accounts of the Company. Income applicable to minority interests is included in other non-operating expenses (income). Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates and the differences could be material.

Revenue Recognition

The Company recognizes revenues from product sales upon shipment to its customers.

Foreign Currency Translation

The consolidated balance sheets and statements of income of the Company's foreign subsidiaries have been translated into U.S. dollars at the current and average exchange rates, respectively. The foreign currency translation adjustment is included as a component of accumulated other comprehensive (loss) income.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Trade Accounts Receivable and the Allowance for Doubtful Accounts

The Company evaluates the collectability of trade accounts receivable based on a combination of factors. Initially, the Company estimates an allowance for doubtful accounts as a percentage of net sales based on historical bad debt experience. This initial estimate is periodically adjusted when the Company becomes aware of a specific customer's inability to meet its financial obligations (e.g., bankruptcy filing) or as a result of changes in the overall aging of accounts receivable. While the Company has a large customer base that is geographically dispersed, a general economic downturn in any of the industry segments in which the Company operates could result in higher than expected defaults, and, therefore, the need to revise estimates for bad debts. For the years ended December 31, 2008, 2007, and 2006, the Company recorded provisions for bad debts of approximately $23,883,000, $13,514,000, and $16,472,000, respectively. At December 31, 2008 and 2007, the allowance for doubtful accounts was approximately $18,588,000 and $15,521,000, respectively.

Merchandise Inventories, Including Consideration Received From Vendors

Merchandise inventories are valued at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for a majority of automotive parts, electrical/electronic materials, and industrial parts, and by the first-in, first-out (FIFO) method for office products and certain other inventories. If the FIFO method had been used for all inventories, cost would have been approximately $426,461,000 and $326,816,000 higher than reported at December 31, 2008 and 2007, respectively.

The Company identifies slow moving or obsolete inventories and estimates appropriate provisions related thereto. Historically, these losses have not been significant as the vast majority of the Company's inventories are not highly susceptible to obsolescence and are eligible for return under various vendor return programs. While the Company has no reason to believe its inventory return privileges will be discontinued in the future, its risk of loss associated with obsolete or slow moving inventories would increase if such were to occur.

The Company enters into agreements at the beginning of each year with many of its vendors providing for inventory purchase incentives and advertising allowances. Generally, the Company earns inventory purchase incentives and advertising allowances upon achieving specified volume purchasing levels or other criteria. The Company accrues for the receipt of inventory purchase incentives and advertising allowances as part of its inventory cost based on cumulative purchases of inventory to date and projected inventory purchases through the end of the year, or, in the case of specific advertising allowances, upon completion of the Company's obligations related thereto. While management believes the Company will continue to receive consideration from vendors in 2009 and beyond, there can be no assurance that vendors will continue to provide comparable amounts of incentives and allowances in the future.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid expenses and amounts due from vendors.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets primarily represent the excess of the purchase price paid over the fair value of the net assets acquired in connection with business acquisitions. Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142) requires that when the fair value of goodwill is less than the related carrying value, entities are required to reduce the amount of goodwill. In accordance with the provisions of SFAS No. 142, the Company reviews its goodwill annually in the fourth quarter, or sooner if circumstances indicate that the carrying amount may exceed fair value. No goodwill impairments have been recorded in 2008, 2007, or 2006. The impairment-only approach required by SFAS No. 142 may have the effect of increasing the volatility of the Company's earnings if goodwill impairment occurs at a future date.

Other Assets

Other assets are comprised of the following:

(in thousands) December 31,	**2008**	2007
Retirement benefit assets	**$ 7,229**	$ 45,680
Investment accounted for under the cost method	**21,400**	21,400
Cash surrender value of life insurance policies	**47,873**	55,937
Other	**37,835**	53,820
Total other assets	**$114,337**	$176,837

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Buildings include certain leases capitalized at December 31, 2008 and 2007. Depreciation and amortization is primarily determined on a straight-line basis over the following estimated useful life of each asset: buildings and improvements, 10 to 40 years; machinery and equipment, 5 to 15 years.

Long-Lived Assets Other Than Goodwill

The Company assesses its long-lived assets other than goodwill for impairment whenever facts and circumstances indicate that the carrying amount may not be fully recoverable. To analyze recoverability, the Company projects undiscounted net future cash flows over the remaining life of such assets. If these projected cash flows are less than the carrying amount, an impairment would be recognized, resulting in a write-down of assets with a corresponding charge to earnings. Impairment losses, if any, are measured based upon the difference between the carrying amount and the fair value of the assets.

Other Long-Term Liabilities

Other long-term liabilities are comprised of the following:

(in thousands) December 31,	**2008**	2007
Post-employment benefit liabilities	**$ 9,300**	$ 8,901
Obligations under capital and other leases	**12,708**	13,707
Insurance liabilities	**43,019**	36,723
Deferred gain on sale-leaseback	**18,477**	19,458
Other	**19,760**	23,199
Total other long-term liabilities	**$103,264**	$101,988

The Company's post-employment benefit liabilities consist primarily of actuarially determined obligations. See Note 4 for further discussion of the Company's obligations under capital leases and the sale-leaseback transaction.

Insurance liabilities consist primarily of reserves for the workers' compensation program. The Company carries various large risk deductible workers'compensation policies for the majority of workers' compensation liabilities. The Company records the workers' compensation reserves based on an analysis performed by an independent actuary. The analysis calculates development factors, which are applied to total reserves as provided by the various insurance companies who underwrite the program. While the Company believes that the assumptions used to calculate these liabilities are appropriate, significant differences in actual experience or significant changes in these assumptions may materially affect workers' compensation costs.

Self-Insurance

The Company is self-insured for the majority of group health insurance costs. A reserve for claims incurred but not reported is developed by analyzing historical claims data provided by the Company's claims administrators. While the Company believes that the assumptions used to calculate these liabilities are appropriate, significant differences from historical trends may materially impact financial results. These reserves are included in accrued expenses in the accompanying consolidated balance sheets as the expenses are expected to be paid within one year.

Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income is comprised of the following:

(in thousands) December 31,	**2008**	2007
Foreign currency translation	**$ 17,550**	$ 129,700
Unrecognized net actuarial loss, net of tax	**(533,562)**	(250,846)
Unrecognized prior service credit (cost), net of tax	**37,450**	(2,569)
Total accumulated other comprehensive loss	**$ (478,562)**	$(123,715)

Fair Value of Financial Instruments

The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents, trade accounts receivable and trade accounts payable approximate their respective fair values based on the short-term nature of these instruments. At December 31, 2008 and 2007, the fair value of fixed rate debt was approximately $491,000,000 and $529,000,000, respectively, based primarily on quoted prices for similar instruments. The fair value of fixed rate debt was estimated by calculating the present value of anticipated cash flows. The discount rate used was an estimated borrowing rate for similar debt instruments with like maturities.

Shipping and Handling Costs

Shipping and handling costs are classified as selling, administrative and other expenses in the accompanying consolidated statements of income and totaled approximately $140,000,000 in the years ended December 31, 2008 and 2007, and $130,000,000 in the year ended December 31, 2006.

Advertising Costs

Advertising costs are expensed as incurred and totaled $42,800,000, $44,700,000, and $49,700,000 in the years ended December 31, 2008, 2007, and 2006, respectively.

Accounting for Legal Costs

The Company's legal costs expected to be incurred in connection with loss contingencies are expensed as such costs are incurred.

Stock Compensation

The Company maintains various Long-Term Incentive Plans, which provide for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalents, and other share-based awards.

Effective January 1, 2006, the Company adopted SFAS No. 123 (R), *Share-Based Payment* (SFAS No. 123 (R)), choosing the "modified prospective" method. Compensation cost recognized for the years ended December 31, 2008, 2007 and 2006, includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS No.123); and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated with the provisions of SFAS No.123 (R). Results for prior periods have not been restated. Most options may be exercised not earlier than twelve months nor later than ten years from the date of grant.

Net Income per Common Share

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during the year. The computation of diluted net income per common share includes the dilutive effect of stock options, stock appreciation rights and non-vested restricted stock awards.

Options to purchase approximately 4.4 million, 1.6 million and 2.1 million shares of common stock ranging from $42-$49 per share were outstanding at December 31, 2008, 2007 and 2006, respectively. These options were not included in the computation of diluted net income per common share because the options' exercise price was greater than the average market price of common stock.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Pronouncements

On September 15, 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements. SFAS No. 157 does not expand the use of fair value in any new circumstances. The provisions of SFAS No. 157, as issued, are effective for the fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff position 157-2 that deferred for one year the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (that is, at least annually). As of January 1, 2008, the Company adopted SFAS No.157 for all financial assets and liabilities and for non-financial assets and liabilities recognized or disclosed at fair value on a recurring basis. The Company determined that the adoption did not have a significant impact on the consolidated financial statements. Additionally, the Company does not expect the adoption of SFAS No.157 for non-financial assets and liabilities, effective January 1, 2009, will have a significant impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), *Business Combinations* (SFAS No. 141(R)). SFAS No. 141(R) will change the accounting for business combinations. Under SFAS No. 141(R), an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141(R) will change the accounting treatment and disclosure for certain specific items in a business combination. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141(R) will have an impact on accounting for business combinations once adopted, but the effect is dependent upon acquisitions at that time.

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements—An Amendment of ARB No. 51* (SFAS No. 160). SFAS No. 160 establishes new accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. The Company does not expect that SFAS No. 160 will have a significant impact on the Company's consolidated financial statements.

2. goodwill and other intangible assets

In accordance with SFAS No. 142, the Company performed an annual goodwill and indefinite lived intangible asset impairment test during the fourth quarter of 2008, 2007, and 2006. The present value of future cash flows approach was used to determine any potential impairment. The Company determined that these assets were not impaired and, therefore, no impairment was recognized for the years ended December 31, 2008, 2007, and 2006.

The changes in the carrying amount of goodwill during the years ended December 31, 2008, 2007, and 2006 by reportable segment, as well as other identifiable intangible assets, are summarized as follows (in thousands):

	Goodwill					
	Automotive	Industrial	Office Products	Electrical/ Electronic Materials	Identifiable Intangible Assets	Total
Balance as of January 1, 2006	$23,887	$ 31,409	$ 2,131	$ —	$ 5,290	$62,717
Amortization	—	—	—	—	(463)	(463)
Balance as of December 31, 2006	23,887	31,409	2,131	—	4,827	62,254
Additions	300	13,593	—	—	7,424	21,317
Amortization	—	—	—	—	(1,118)	(1,118)
Balance as of December 31, 2007	24,187	45,002	2,131	—	11,133	82,453
Additions	**16,025**	**25,834**	**8,423**	**2,870**	**26,081**	**79,233**
Amortization	**—**	**—**	**—**	**—**	**(2,861)**	**(2,861)**
Balance as of December 31, 2008	**$ 40,212**	**$ 70,836**	**$10,554**	**$2,870**	**$34,353**	**$158,825**

3. credit facilities

There were no amounts outstanding subject to variable rates at December 31, 2008 and 2007. The weighted average interest rate on the Company's outstanding borrowings was approximately 5.45% at December 31, 2008 and 6.05% at December 31, 2007.

The Company maintains a $350,000,000 unsecured revolving line of credit with a consortium of financial institutions that matures in December 2012 and bears interest at LIBOR plus .23% (0.69% at December 31, 2008). The Company also has the option under this agreement to increase its borrowing an additional $200,000,000. No amounts were outstanding under this line of credit at December 31, 2008 and 2007. Certain borrowings contain covenants related to a maximum debt-to-capitalization ratio and certain limitations on additional borrowings. At December 31, 2008, the Company was in compliance with all such covenants. Due to the workers compensation and insurance reserve requirements in certain states, the Company also had unused letters of credit of $50,553,000 and $56,453,000 outstanding at December 31, 2008 and 2007, respectively.

Amounts outstanding under the Company's credit facilities consist of the following:

(in thousands) December 31,	**2008**	2007
Unsecured term notes:		
November 30, 2001, Series A Senior Notes, $250,000,000, 5.86% fixed, due November 30, 2008	**$ —**	$250,000
November 30, 2001, Series B Senior Notes, $250,000,000, 6.23% fixed, due November 30, 2011	**250,000**	250,000
November 30, 2008, Senior Unsecured Notes, $250,000,000, 4.67% fixed, due November 30, 2013	**250,000**	—
Total debt	**500,000**	500,000
Less debt due within one year	**—**	250,000
Long-term debt, excluding current portion	**$500,000**	$250,000

3. credit facilities (continued)

Approximate maturities under the Company's credit facilities are as follows (in thousands):

2009	$ —
2010	—
2011	250,000
2012	—
2013	250,000
	$ 500,000

4. leased properties

In June 2003, the Company completed an amended and restated master agreement to our $85,000,000 construction and lease agreement (the Agreement). The lessor in the Agreement is an independent third-party limited liability company, which has as its sole member a publicly traded corporation. Properties acquired by the lessor are constructed and/or then leased to the Company under operating lease agreements. No additional properties are being added to this Agreement, as the construction term has ended. The Company does not believe the lessor is a variable interest entity, as defined in FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities,* an interpretation of ARB No. 51 (FIN No. 46). In addition, the Company has verified that even if the lessor was determined to be a variable interest entity, the Company would not have to consolidate the lessor nor the assets and liabilities associated with properties leased to the Company. This is because the assets leased under the Agreement do not exceed 50% of the total fair value of the lessor's assets, excluding any assets that should be excluded from such calculation under FIN No. 46, nor did the lessor finance 95% or more of the leased balance with non-recourse debt, target equity or similar funding. The Agreement has been accounted for as an operating lease under SFAS No. 13, *Accounting for Leases* (SFAS No. 13) and related interpretations. Future minimum rental commitments under the Agreement have been included in the table of future minimum payments below.

Rent expense related to the Agreement is recorded under selling, administrative, and other expenses in our consolidated statements of income and was $2,586,000, $4,877,000, and $4,797,000 for the years ended December 31, 2008, 2007, and 2006, respectively.

In October 2007, the Company entered into a sale-leaseback transaction with a financial institution. In connection with the transaction, the Company sold certain automotive retail store properties and immediately leased the properties back over a lease term of twenty years. The lease was classified as an operating lease. Net proceeds from the transaction amounted to approximately $56,000,000. The Company realized a net gain of approximately $20,000,000, which was deferred and is being amortized over the lease term. The unamortized portion of the deferred gain is included in other long-term liabilities in the consolidated balance sheets at December 31, 2008 and 2007.

At December 31,2008 and 2007, buildings include $11,550,000 and $15,400,000 with accumulated depreciation of $6,831,000 and $8,336,000, respectively, for leases of distribution centers and stores capitalized. Depreciation expense for capital leases was approximately $2,267,000, $2,509,000, and $4,585,000 in 2008, 2007, and 2006, respectively.

Future minimum payments, by year and in the aggregate, under the capital and noncancelable operating leases with initial or remaining terms of one year or more consisted of the following at December 31, 2008 (in thousands):

	Capital Leases	Operating Leases
2009	$ 1,634	$ 120,622
2010	1,296	94,473
2011	1,021	55,007
2012	913	53,784
2013	815	38,806
Thereafter	2,024	148,429
Total minimum lease payments	7,703	$ 511,121
Amounts representing interest	2,984	
Present value of future minimum lease payments	$ 4,719	

Rental expense for operating leases was approximately $159,562,000 in 2008, $153,273,000 in 2007, and $147,727,000 in 2006.

5. stock options and restricted stock awards

The Company maintains various Long-Term Incentive Plans, which provide for the granting of stock options, stock appreciation rights (SARs), restricted stock, restricted stock units (RSUs), performance awards, dividend equivalents and other share-based awards. The Company issues new shares upon option exercise under these plans.

Effective January 1, 2006, the Company adopted SFAS No. 123(R) choosing the "modified prospective" method. Compensation cost recognized for the years ended December 31, 2008, 2007 and 2006, includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123; and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated with the provisions of SFAS No. 123(R). Most options may be exercised not earlier than twelve months nor later than ten years from the date of grant. The Company recognizes compensation expense based on the straight-line method for all award types, including SAR's, which are subject to graded vesting based on a service condition. As of January 1, 2006, there was approximately $1.2 million of unrecognized compensation cost for all awards granted prior to January 1, 2003, to employees that remained unvested prior to the effective date of SFAS No. 123(R). This compensation cost is expected to be recognized over a weighted-average period of approximately four years.

For the year ended December 31, 2008, total compensation cost related to nonvested awards not yet recognized was approximately $19.6 million. The weighted-average period over which this compensation cost is expected to be recognized is approximately three years. The aggregate intrinsic value for options and RSUs outstanding at December 31, 2008 and 2007 was approximately $24.9 million and $58.5 million, respectively. The aggregate intrinsic value for options and RSUs vested totaled approximately $13.3 million and $37.9 million at December 31, 2008 and 2007, respectively. At December 31, 2008, the weighted-average contractual life for outstanding and exercisable options and RSUs was six and five years, respectively. For the years ended December 31, 2008, 2007, and 2006, $13.0 million, $14.3 million, and $11.9 million of share-based compensation cost was recorded, respectively. The total income tax benefit recognized in the consolidated statements of income for share-based compensation arrangements was approximately $5.2 million, $5.7 million, and $4.8 million for 2008, 2007, and 2006, respectively. There have been no modifications to valuation methodologies or methods subsequent to the adoption of SFAS No. 123(R).

For the years ended December 31, 2008, 2007, and 2006, the fair value for options and SARs granted was estimated using a Black-Scholes option pricing model with the following weighted-average assumptions, respectively: risk-free interest rate of 3.5%, 4.6%, and 4.8%; dividend yield of 3.0%, 3.1%, and 2.9%; annual historical volatility factor of the expected market price of the Company's common stock of 17%, 21%, and 21%; an average expected life and estimated turnover based on the historical pattern of existing grants of six years and 4.0% to 5.1%, respectively. The fair value of RSUs is based on the price of the Company's stock on the date of grant. The total fair value of shares vested during the years ended December 31, 2008, 2007, and 2006, was $14.9 million, $10.5 million, and $6.9 million, respectively.

A summary of the Company's stock option activity and related information is as follows:

	Shares (1) (000's)	Weighted-Average Exercise Price (2)
Outstanding at beginning of year	6,315	$ 38
Granted	1,501	42
Exercised	(224)	32
Forfeited	(121)	46
Outstanding at end of year (3)	7,471	$ 41
Exercisable at end of year	4,550	$ 39
Shares available for future grants	5,170	

(1) Shares include *Restricted Stock Units* (RSUs).

(2) The weighted average exercise price excludes RSUs.

(3) The exercise prices for options outstanding as of December 31, 2008 ranged from approximately $21 to $49. The weighted-average remaining contractual life of all options outstanding is approximately seven years.

The weighted-average grant date fair value of options and SARs granted during the years 2008, 2007, and 2006 was $5.78, $9.64, and $9.14, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2008, 2007, and 2006 was $5.0 million, $15.6 million, and $10.7 million.

In 2008, the Company granted approximately 1,385,000 SARs and 116,000 RSUs. In 2007, the Company granted approximately 1,272,000 SARs and 95,000 RSUs. In 2006, the Company granted approximately 1,246,000 SARs and 94,000 RSUs. SARs represent a right to receive the excess, if any, of the fair market value of one share of common stock on the date of exercise over the grant price. RSUs represent a contingent right to receive one share of the Company's common stock at a future date provided certain pre-tax profit targets are achieved. The majority of awards vest on a pro-rata basis for periods ranging from one to five years and are expensed accordingly on a straight-line basis.

A summary of the Company's nonvested share awards (RSUs) activity is as follows:

Nonvested Share Awards (RSUs)	Shares (000's)	Weighted-Average Grant Date Fair Value
Nonvested at January 1, 2008	312	$ 43
Granted	116	42
Vested	(118)	36
Forfeited or Expired	(36)	43
Nonvested at December 31, 2008	274	$ 42

Prior to the adoption of SFAS No.123(R), the Company presented all tax benefits for deductions resulting from the exercise of stock options as operating cash flows in the consolidated statements of cash flows. SFAS No.123(R) requires the cash flows resulting from the tax benefits or tax (expense) related to tax deductions in excess of or less than the compensation cost recognized for those options to be classified as financing cash inflow (outflow). For the years ended December 31, 2008, 2007 and 2006 approximately ($0.6 million), $4.4 million and $3.0 million, respectively, of excess tax benefits (expense) was classified as a financing cash inflow (outflow).

6. income taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Undistributed earnings of the Company's foreign subsidiaries are considered to be indefinitely reinvested. As such, no U.S. federal and state income taxes have been provided thereon, and it is not practicable to determine the amount of the related unrecognized deferred income tax liability. Significant components of the Company's deferred tax assets and liabilities are as follows:

(in thousands) December 31,	**2008**	2007
Deferred tax assets related to:		
Expenses not yet deducted for tax purposes	**$ 114,092**	$ 110,494
Pension liability not yet deducted for tax purposes	**326,808**	168,835
Capital loss	**24,787**	—
Valuation allowance	**(24,787)**	—
	440,900	279,329
Deferred tax liabilities related to:		
Employee and retiree benefits	**125,655**	147,285
Inventory	**79,304**	98,196
Property, plant and equipment	**17,614**	19,849
Other	**13,250**	6,918
	235,823	272,248
Net deferred tax asset	**205,077**	7,081
Current portion of deferred tax liability	**(13,426)**	(28,697)
Non-current deferred tax asset	**$218,503**	$ 35,778

The current portion of the deferred tax liability is included in income taxes payable in the consolidated balance sheets. The Company has a capital loss carryforward of approximately $62,000,000 that will expire in 2013.

The components of income tax expense are as follows:

(in thousands)	**2008**	2007	2006
Current:			
Federal	**$261,250**	$262,922	$ 243,089
State	**45,167**	42,101	41,361
Foreign	**26,657**	13,449	16,542
Deferred	**(40,023)**	(8,066)	(5,481)
	$293,051	$ 310,406	$295,511

The reasons for the difference between total tax expense and the amount computed by applying the statutory Federal income tax rate to income before income taxes are as follows:

(in thousands)	**2008**	2007	2006
Statutory rate applied to income	**$ 268,964**	$285,861	$269,821
Plus state income taxes, net of Federal tax benefit	**25,831**	26,672	26,395
Capital loss	**(30,038)**	—	—
Capital loss — valuation allowance	**24,787**	—	—
Other	**3,507**	(2,127)	(705)
	$293,051	$ 310,406	$295,511

The Company or one of its subsidiaries files income tax returns in the US federal jurisdiction, various states, and foreign jurisdictions. With few exceptions, the Company is no longer subject to federal, state and local tax examinations by tax authorities for years before 2005 or subject to non-United States income tax examinations for years ended prior to 2002. The Company does not anticipate total unrecognized tax benefits will significantly change during the year due to the settlement of audits and the expiration of statutes of limitations. The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes,* an interpretation of FASB Statement No. 109, (FIN No. 48), on January 1, 2007. The cumulative effect of adopting FIN No. 48 did not have a material impact on the Company's financial position or the results of operations. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Unrecognized Tax Benefits	
(in thousands)	**2008**	2007
Balance at beginning of year	**$ 32,100**	$ 29,215

Additions based on tax positions related to the current year	**7,376**	7,929
Additions for tax positions of prior years	**3,790**	455
Reductions for tax positions for prior years	**(190)**	(1,557)
Reduction for lapse in statute of limitations	**(5,449)**	(2,897)
Settlements	**(1,198)**	(1,045)
Balance at end of year	**$ 36,429**	$ 32,100

The amount of gross tax effected unrecognized tax benefits as of December 31, 2008 was approximately $36,429,000 of which approximately $14,417,000, if recognized, would affect the effective tax rate. During the year ending December 31, 2008, the Company paid interest and penalties of approximately $815,000. The Company had approximately $5,004,000 and $2,328,000 of accrued interest and penalties at December 31, 2008 and December 31, 2007, respectively. The Company recognizes potential interest and penalties related to unrecognized tax benefits as a component of income tax expense.

7. employee benefit plans

The Company's defined benefit pension plans cover substantially all of its employees in the U.S. and Canada. The plan covering U.S. employees is noncontributory and benefits are based on the employees' compensation during the highest five of their last ten years of credited service. The Canadian plan is contributory and benefits are based on career average compensation. The Company's funding policy is to contribute an amount equal to the minimum required contribution under ERISA. The Company may increase its contribution above the minimum if appropriate to its tax and cash position and the plans' funded position.

In 2008, the US defined benefit plan was amended to prohibit employees hired on or after March 1, 2008 to participate in the plan. The plan was also amended to freeze credited service for participants who do not meet certain age and length of service requirements as of December 31, 2008. However, the plan continues to reflect future pay increases for all participants.

The Company also sponsors unfunded supplemental retirement plans covering employees in the U.S. and Canada and other postretirement benefit plans in the U.S. The Company uses a measurement date of December 31 for its pension and other postretirement benefit plans.

On September 29, 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* which amended SFAS No. 87 and SFAS No. 106 to require recognition of the overfunded or underfunded status of pension and other postretirement benefit plans on the balance sheet. Under SFAS No. 158, gains and losses, prior service costs and credits, and any remaining transition amounts under SFAS No. 87 and SFAS No. 106 that have not yet been recognized through net periodic benefit cost are to be recognized in accumulated other comprehensive income, net of tax effects, until they are amortized as a component of net periodic cost. SFAS No. 158 was effective for publicly held companies for fiscal years ending after December 31, 2006.

	Pension Benefits		Other Postretirement Benefits	
(in thousands)	**2008**	2007	**2008**	2007
Changes in benefit obligation				
Benefit obligation at beginning of year	**$1,387,669**	$ 1,334,528	**$ 28,640**	$25,669
Service cost	**53,311**	53,700	**880**	750
Interest cost	**90,300**	82,029	**1,614**	1,441
Plan participants' contributions	**3,216**	3,203	**3,782**	3,721
Plan amendments	**(66,349)**	—	**—**	—
Actuarial (gain) loss	**51,042**	(61,447)	**1,282**	3,874
Exchange rate (gain) loss	**(24,446)**	19,039	**—**	—
Gross benefits paid	**(44,713)**	(43,383)	**(7,664)**	(7,585)
Less federal subsidy	**n/a**	n/a	**784**	770
Benefit obligation at end of year	**$1,450,030**	$1,387,669	**$29,318**	$ 28,640

The benefit obligations for the Company's U.S. pension plans included in the above were $1,360,045,000 and $1,258,892,000 at December 31, 2008 and 2007, respectively. The total accumulated benefit obligation for the Company's defined benefit pension plans was approximately $1,238,101,000 and $1,119,588,000 at December 31, 2008 and 2007, respectively.

7. employee benefit plans (continued)

The assumptions used to measure the pension and other postretirement plan benefit obligations for the plans at December 31, 2008 and 2007, were:

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	**2008**	2007
Weighted-average discount rate	**6.50%**	6.49%	**6.00%**	5.75%
Rate of increase in future compensation levels	**3.75%**	3.75%	**—**	—

An 8% annual rate of increase in the per capita cost of covered health care benefits was assumed on December 31, 2008. The rate was assumed to decrease ratably to 5% at December 31, 2014, and thereafter.

	Pension Benefits		Other Postretirement Benefits	
(in thousands)	**2008**	2007	**2008**	2007
Changes in plan assets				
Fair value of plan assets at beginning of year	**$1,365,776**	$ 1,260,538	**$ —**	$ —
Actual return on plan assets	**(326,669)**	89,248	**—**	—
Exchange rate (loss) gain	**(23,098)**	21,030	**—**	—
Employer contributions	**3,355**	35,140	**3,882**	3,094
Plan participants' contribution	**3,216**	3,203	**3,782**	3,721
Benefits paid	**(44,713)**	(43,383)	**(7,664)**	(6,815)
Fair value of plan assets at end of year	**$ 977,867**	$1,365,776	**$ —**	$ —

The fair values of plan assets for the Company's U.S. pension plans included in the above were $882,211,000 and $1,222,686,000 at December 31, 2008 and 2007, respectively.

The asset allocations for the Company's funded pension plans at December 31, 2008 and 2007, and the target allocation for 2009, by asset category were:

	Target Allocation	Percentage of Plan Assets at December 31	
	2009	**2008**	2007
Asset Category			
Equity securities	**65%**	**58%**	68%
Debt securities	**34%**	**39%**	29%
Real estate and other	**1%**	**3%**	3%
	100%	**100%**	100%

At December 31, 2008 and 2007, the plan held 2,016,932 shares of common stock of the Company with a market value of approximately $76,361,000 and $93,384,000, respectively. Dividend payments received by the plan on Company stock totaled approximately $3,146,000 and $2,945,000 in 2008 and 2007, respectively. Fees paid during the year for services rendered by parties in interest were based on customary and reasonable rates for such services.

The Company's benefit plan committees in the U.S. and Canada establish investment policies and strategies and regularly monitor the performance of the funds. The pension plan strategy implemented by the Company's management is to achieve long-term objectives and invest the pension assets in accordance with the applicable pension legislation in the U.S. and Canada, as well as fiduciary standards. The long-term primary objectives for the pension plans are to provide for a reasonable amount of long-term growth of capital, without undue exposure to risk, protect the assets from erosion of purchasing power, and provide investment results that meet or exceed the pension plans' actuarially assumed long term rates of return.

Based on the investment policy for the pension plans, as well as an asset study that was performed based on the Company's asset allocations and future expectations, the Company's expected rate of return on plan assets for measuring 2009 pension expense or income is 8.00% for the plans. The asset study forecasted expected rates of return for the approximate duration of the Company's benefit obligations, using capital market data and historical relationships.

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets at December 31:

Amounts recognized in the consolidated balance sheets consist of:

	Pension Benefits		Other Postretirement Benefits	
(in thousands)	**2008**	2007	**2008**	2007
Other long-term asset	**$ 7,229**	$ 45,680	**$ n/a**	$ n/a
Other current liability	**(2,742)**	(2,200)	**(3,363)**	(2,854)

Other long-term liability	**(476,650)**	(65,373)	**(25,955)**	(25,786)
	$(472,163)	$(21,893)	**$(29,318)**	$ (28,640)

Amounts recognized in accumulated other comprehensive (loss) income consist of:

(in thousands)	Pension Benefits **2008**	2007	Other Postretirement Benefits **2008**	2007
Net actuarial loss	**$863,484**	$ 393,061	**$24,575**	$24,908
Prior service (credit) cost	**(63,578)**	2,748	**1,161**	1,533
	$799,906	$395,809	**$25,736**	$26,441

For the pension benefits, the following table reflects the total benefits expected to be paid from the plans'or the Company's assets. Of the pension benefits expected to be paid in 2009, $2,830,000 is expected to be paid from employer assets. For pension benefits, expected contributions reflect amounts expected to be contributed to funded plans. For other postretirement benefits, the following table reflects only the Company's share of the benefit cost. The expected benefit payments show the Company's cost without regard to income from federal subsidy payments received pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA). Expected MMA subsidy payments, which reduce the Company's cost for the plan, are shown separately.

Information about the expected cash flows for the pension plans and other post retirement benefit plans follows:

		Other Postretirement Benefits	
(in thousands)	Pension Benefits	Employer Contribution	Value Due to MMA Subsidy
Employer contribution			
2009 (expected)	$ 53,391	$ 3,463	$ —
Expected benefit payments			
2009	48,423	3,996	533
2010	52,429	3,946	570
2011	57,693	3,892	—
2012	65,066	3,735	—
2013	72,135	3,607	—
2014 through 2018	455,665	17,617	—

Net periodic benefit cost included the following components:

	Pension Benefits			Other Postretirement Benefits		
(in thousands)	**2008**	2007	2006	**2008**	2007	2006
Service cost	**$ 53,311**	$ 53,700	$ 50,224	**$ 880**	$ 750	$ 475
Interest cost	**90,300**	82,029	72,246	**1,614**	1,441	1,327
Expected return on plan assets	**(114,690)**	(110,131)	(100,174)	**—**	—	—
Amortization of prior service (credit) cost	**(24)**	(338)	(471)	**371**	371	371
Amortization of actuarial loss	**17,962**	25,909	26,379	**1,616**	1,424	1,291
Net periodic benefit cost	**$ 46,859**	$ 51,169	$ 48,204	**$4,481**	$3,986	$ 3,464

7. employee benefit plans (continued)

Other changes in plan assets and benefit obligations recognized in other comprehensive (loss) income are as follows:

(in thousands)	Pension Benefits **2008**	Pension Benefits 2007	Other Post-Retirement Benefits **2008**	Other Post-Retirement Benefits 2007
Current year actuarial loss (gain)	**$ 488,384**	$ (40,508)	**$ 1,282**	$ 3,874
Amortization of actuarial (loss) gain	**(17,962)**	(25,909)	**(1,616)**	(1,424)
Current year of prior service (cost) credit	**(66,349)**	—	**—**	—
Amortization of prior service cost (credit)	**24**	338	**(371)**	(371)
Total recognized in other comprehensive income (loss)	**$ 404,097**	$(66,079)	**$ (705)**	$ 2,079
Total recognized in net periodic benefit cost and other comprehensive income (loss)	**$ 450,956**	$ (14,910)	**$ 3,776**	$ 6,065

The estimated amounts that will be amortized from accumulated other comprehensive (loss) income into net periodic benefit cost in 2009 are as follows:

(in thousands)	Pension Benefits	Other Post-Retirement Benefits
Actuarial loss	$ 35,748	$ 1,705
Prior service (credit) cost	(7,249)	371
Total	$ 28,499	$ 2,076

The assumptions used in measuring the net periodic benefit costs for the plans follow:

	Pension Benefits **2008**	Pension Benefits 2007	Pension Benefits 2006	Other Postretirement Benefits **2008**	Other Postretirement Benefits 2007	Other Postretirement Benefits 2006
Weighted average discount rate	**6.49%**	6.00%	5.75%	**5.75%**	5.75%	5.75%
Rate of increase in future compensation levels	**3.75%**	3.75%	3.75%	**—**	—	—
Expected long-term rate of return on plan assets	**8.25%**	8.25%	8.25%	**—**	—	—

An 8% annual rate of increase in the per capita cost of covered health care benefits was assumed on December 31, 2007. The rate was assumed to decrease ratably to 5% at December 31, 2013, and thereafter.

The effect of a one-percentage point change in the assumed health care cost trend rate is as follows:

(in thousands)	Decrease	Increase
Total service and interest cost components of 2008 net periodic postretirement health care benefit cost	$ (540)	$ 766
Accumulated postretirement benefit obligation for health care benefits at December 31, 2008	(5,965)	9,620

The Company has a defined contribution plan that covers substantially all of its domestic employees. The Company's matching contributions are determined based on 20% of the first 6% of the covered employee's salary. Total plan expense was approximately $7,252,000 in 2008, $7,245,000 in 2007, and $6,824,000 in 2006.

8. guarantees

The amended and restated master agreement to our $85,000,000 construction and lease agreement (the Agreement), discussed further in Note 4, has a term of six years expiring in 2009 and contains residual value guarantee provisions and other guarantees which would become due in the event of a default under the operating lease agreement, or at the expiration of the operating lease agreement if the fair value of the leased properties is less than the guaranteed residual value. The maximum amount of the Company's potential guarantee obligation, representing the residual value guarantee, at December 31, 2008, is approximately $62,678,000. The Company believes the likelihood of funding the guarantee obligation under any provision of the operating lease agreement is remote.

The Company also guarantees the borrowings of certain independently controlled automotive parts stores (independents) and certain other affiliates in which the Company has a minority equity ownership interest (affiliates). Presently, the independents are generally consolidated by unaffiliated enterprises that have a controlling financial interest through ownership of a majority voting interest in the entity. The Company has no voting interest or other equity conversion rights in any of the independents. The Company does not control the independents or the affiliates, but receives a fee for the guarantee. The Company has concluded that it is not the primary beneficiary with respect to any of the independents and that the affiliates are not variable interest entities. The Company's maximum exposure to loss as a result of its involvement with these independents and affiliates is equal to the total borrowings subject to the Company's guarantee.

At December 31, 2008, the total borrowings of the independents and affiliates subject to guarantee by the Company were approximately $189,946,000. These loans generally mature over periods from one to ten years. In the event that the Company is required to make payments in connection with guaranteed obligations of the independents or the affiliates, the Company would obtain and liquidate certain collateral (e.g., accounts receivable and inventory) to recover all or a portion of the amounts paid under the guarantee. When it is deemed probable that the Company will incur a loss in connection with a guarantee, a liability is recorded equal to this estimated loss. To date, the Company has had no significant losses in connection with guarantees of independents' and affiliates' borrowings.

Effective January 1, 2003, the Company adopted FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* (FIN No. 45). In accordance with FIN No. 45 and based on available information, the Company has accrued for those guarantees related to the independents' and affiliates' borrowings and the construction and lease agreement as of December 31, 2008 and 2007. These liabilities are not material to the financial position of the Company and are included in other long-term liabilities in the accompanying consolidated balance sheets.

9. acquisitions

During 2008, the Company acquired 11 companies in the Automotive, Industrial, Office Supply and Electrical/Electronic Groups for approximately $130,000,000. The acquisitions were accounted for in accordance with SFAS No. 141, *Business Combinations,* and, accordingly, the Company allocated the purchase price to the assets acquired and the liabilities assumed based on their fair values as of their respective acquisition dates. The results of operations for the acquired companies were included in the Company's consolidated statements of income beginning on their respective acquisition dates. The Company recorded approximately $72,000,000 of goodwill and other intangible assets associated with these acquisitions.

10. segment data

The segment data for the past five years presented on page 15 is an integral part of these consolidated financial statements.

The Company's reportable segments consist of automotive, industrial, office products, and electrical/electronic materials. Within the reportable segments, certain of the Company's operating segments are aggregated because they have similar economic characteristics, products and services, type and class of customers, and distribution methods.

The Company's automotive segment distributes replacement parts (other than body parts) for substantially all makes and models of automobiles, trucks, and other vehicles.

The Company's industrial segment distributes a wide variety of industrial bearings, mechanical and fluid power transmission equipment, including hydraulic and pneumatic products, material handling components, and related parts and supplies.

The Company's office products segment distributes a wide variety of office products, computer supplies, office furniture, and business electronics.

The Company's electrical/electronic materials segment distributes a wide variety of electrical/electronic materials, including insulating and conductive materials for use in electronic and electrical apparatus.

Inter-segment sales are not significant. Operating profit for each industry segment is calculated as net sales less operating expenses excluding general corporate expenses, interest expense, equity in income from investees, amortization, and minority interests. Approximately $49,900,000, $46,900,000, and $43,500,000 of income before income taxes was generated in jurisdictions outside the United States for the years ending December 31, 2008, 2007, and 2006, respectively. Net sales and net long-lived assets by country relate directly to the Company's operations in the respective country. Corporate assets are principally cash and cash equivalents and headquarters' facilities and equipment.

For management purposes, net sales by segment exclude the effect of certain discounts, incentives, and freight billed to customers. The line item "other" represents the net effect of the discounts, incentives, and freight billed to customers, which are reported as a component of net sales in the Company's consolidated statements of income.

EXHIBIT 21

SUBSIDIARIES OF THE COMPANY
(as of December 31, 2008)

NAME	% OWNED	JURISDICTION OF INCORPORATION
BALKAMP	89.6%	INDIANA
EIS, INC.	100.0%	GEORGIA
EIS DOMINICAN REPUBLIC, LLC	100.0%	GEORGIA
GENUINE PARTS FINANCE COMPANY	100.0%	DELAWARE
GPC PROCUREMENT COMPANY	100.0%	GEORGIA
NATIONAL AUTOMOTIVE PARTS ASSOCIATION	95.0%	MICHIGAN
MOTION INDUSTRIES, INC.	100.0%	DELAWARE
HUB TOOL & SUPPLY, INC.	100.0%	KANSAS
S.P. RICHARDS COMPANY	100.0%	GEORGIA
S.P.R. PROCUREMENT COMPANY	100.0%	GEORGIA
SHUSTER CORPORATION	100.0%	GEORGIA
DRAGO SUPPLY COMPANY	100.0%	TEXAS
1ST CHOICE AUTO PARTS, INC.	51.0%	GEORGIA
SERVICE FIRST AUTO, INC.	51.0%	GEORGIA
THE FLOWERS COMPANY	49.0%	NORTH CAROLINA
GENUINE PARTS HOLDINGS, ULC	100.0%	NOVA SCOTIA, CANADA
GENUINE PARTS INVESTMENT COMPANY	100.0%	NOVA SCOTIA, CANADA
GPC MEXICO, S.A. de C.V.	100.0%	PUEBLA, MEXICO
EIS de MEXICO	100.0%	GUADALAJARA, JALISCO, MEXICO
EIS HOLDINGS (CANADA), INC.	100.0%	BRITISH COLUMBIA, CANADA
MOTION INDUSTRIES (CANADA), INC.	100.0%	OTTAWA, ONTARIO
MOTION — MEXICO S. de RL de CV	100.0%	GUADALAJARA, MEXICO
S. P. RICHARDS CO. CANADA, INC.	100.0%	BRITISH COLUMBIA, CANADA
UAP INC.	100.0%	QUEBEC, CANADA
GARANAT INC.	100.0%	FEDERAL, CANADA
UAPRO INC.	100.0%	FEDERAL, CANADA
UNITED AUTO PARTS (Eastern) LTD.	100.0%	ONTARIO, CANADA
SERVICES FINANCIERS UAP INC.	100.0%	QUEBEC, CANADA
GPC GLOBAL SOURCING LTD.	100.0%	HONG KONG, CHINA
GENUINE PARTS SOURCING (SHENZHEN) COMPANY LTD.	100.0%	SHENZHEN, CHINA
ALTROM CANADA CORP.	100.0%	BRITISH COLUMBIA, CANADA

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Genuine Parts Company of our reports dated February 25, 2009, with respect to the consolidated financial statements of Genuine Parts Company and the effectiveness of internal control over financial reporting of Genuine Parts Company, included in the 2008 Annual Report to Shareholders of Genuine Parts Company.

Our audits also included the financial statement schedule of Genuine Parts Company listed in Item 15(a). This schedule is the responsibility of Genuine Parts Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is February 25, 2009, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement No. 33-62512 on Form S-8 pertaining to the 1992 Stock Option Incentive Plan

(2) Registration Statement No. 333-21969 on Form S-8 pertaining to the Directors' Deferred Compensation Plan

(3) Registration Statement No. 333-76639 on Form S-8 pertaining to the Genuine Parts Company 1999 Long-Term Incentive Plan

(4) Registration Statement No. 333-133362 on Form S-8 pertaining to the Genuine Parts Company 2006 Long-Term Incentive Plan;

of our report dated February 25, 2009, with respect to the consolidated financial statements of Genuine Parts Company incorporated herein by reference, our report dated February 25, 2009, with respect to the effectiveness of internal control over financial reporting of Genuine Parts Company, incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule of Genuine Parts Company included in this Annual Report (Form 10-K) of Genuine Parts Company for the year ended December 31, 2008.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 27, 2009

EXHIBIT 31.1

CERTIFICATIONS

I, Thomas C. Gallagher, certify that:

1. I have reviewed this annual report on Form 10-K of Genuine Parts Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Thomas C. Gallagher

Thomas C. Gallagher

Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Jerry W. Nix, certify that:

1. I have reviewed this annual report on Form 10-K of Genuine Parts Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report)that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Jerry W. Nix

Jerry W. Nix
Vice Chairman and Chief Financial Officer

EXHIBIT 32.1

STATEMENT OF CHIEF EXECUTIVE OFFICER OF
GENUINE PARTS COMPANY
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genuine Parts Company (the "Company") on Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas C. Gallagher, Chairman, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas C. Gallagher

Thomas C. Gallagher
Chairman, President and Chief Executive Officer
February 27, 2009

EXHIBIT 32.2

STATEMENT OF CHIEF FINANCIAL OFFICER OF
GENUINE PARTS COMPANY
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genuine Parts Company (the "Company") on Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jerry W. Nix, Executive Vice President — Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jerry W. Nix
Jerry W. Nix
Vice Chairman and Chief Financial Officer
February 27, 2009