

The Company has \$2.2 million of state net operating loss carryforwards available as of March 26, 2011. The carryforwards expire in varying amounts through 2031. Based on all available evidence, the Company has determined that it is more likely than not that sufficient taxable income of the appropriate character within the carryforward period will exist for the realization of the tax benefits on existing state net operating loss carryforwards.

The Company believes it is more likely than not that all other future tax benefits will be realized as a result of current and future income.

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A reconciliation between the U. S. Federal statutory tax rate and the effective tax rate reflected in the accompanying financial statements is as follows:

	Year Ended Fiscal March					
	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in thousands)					
Federal income tax based on statutory tax rate applied to income before taxes	\$25,878	35.0	\$18,699	35.0	\$13,340	35.0
State income tax, net of federal income tax benefit	2,291	3.1	1,155	2.2	425	1.1
Other	(73)	(.1)	380	.7	261	.7
	<u>\$28,096</u>	<u>38.0</u>	<u>\$20,234</u>	<u>37.9</u>	<u>\$14,026</u>	<u>36.8</u>

The following is a rollforward of the Company's liability for income taxes associated with unrecognized tax benefits:

	(Dollars in thousands)
Balance at March 29, 2008	\$3,870
Tax positions related to current year:	
Additions	1,175
Reductions	
Tax positions related to prior years:	
Additions	39
Reductions	(400)
Settlements	
Lapses in statutes of limitations	(191)
Balance at March 28, 2009	4,493
Tax positions related to current year:	
Additions	1,415
Reductions	
Tax positions related to prior years:	
Additions	
Reductions	(16)

Settlements	
Lapses in statutes of limitations	(306)
Balance at March 27, 2010	5,586
Tax positions related to current year:	
Additions	799
Reductions	
Tax positions related to prior years:	
Additions	335
Reductions	(612)
Settlements	
Lapses in statutes of limitations	(144)
Balance at March 26, 2011	<u>\$ 5,964</u>

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The total amount of unrecognized tax benefits was \$6.0 million at March 26, 2011, the majority of which, if recognized, would affect the effective tax rate.

In the normal course of business, the Company provides for uncertain tax positions and the related interest and penalties, and adjusts its unrecognized tax benefits and accrued interest and penalties accordingly. During the years ended March 26, 2011, March 27, 2010 and March 28, 2009, the Company recognized interest and penalties of approximately \$.3 million, \$.1 million and \$.1 million, respectively, in income tax expense. Additionally, the Company had approximately \$.9 million and \$.6 million of interest and penalties associated with uncertain tax benefits accrued as of March 26, 2011 and March 27, 2010, respectively.

The Company is currently under audit by the Internal Revenue Service for the fiscal 2010 tax year, and also currently under audit by certain state tax jurisdictions for the fiscal 2001 to 2010 tax years. It is reasonably possible that the examination phase of the audits for these years may conclude in the next 12 months, and that the related unrecognized tax benefits for tax positions taken regarding previously filed tax returns may change from those recorded as liabilities for uncertain tax positions in the Company's financial statements as of March 26, 2011. However, based on the status of the examinations, it is not possible to estimate the effect of any amount of such change to previously recorded uncertain tax positions.

The Company files U.S. federal income tax returns and income tax returns in various state jurisdictions. The Company's fiscal 2009 and fiscal 2010 U.S. federal tax years and various state tax years remain subject to income tax examinations by tax authorities.

NOTE 9 — CONVERTIBLE PREFERRED STOCK AND COMMON STOCK

A summary of the changes in the number of shares of Common Stock, Class C preferred stock and treasury stock is as follows:

<u>Common Stock Shares</u>	<u>Class C Convertible</u>	<u>Treasury Stock</u>
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	Issued	Preferred Stock Shares Issued	Shares
Balance at March 29, 2008	21,683,859	65,000	3,322,392
Conversion of preferred shares	506,755	(32,500)	
Stock options exercised	808,699		258,437
Balance at March 28, 2009	22,999,313	32,500	3,580,829
Stock options exercised	647,147		101,600
Balance at March 27, 2010	23,646,460	32,500	3,682,429
Shares issued in connection with three-for-two stock split	11,983,603		1,859,328
Stock options exercised	408,601		36,227
Balance at March 26, 2011	36,038,664	32,500	5,577,984

In November 2010, the Board of Directors authorized a three-for-two stock split that was paid on December 23, 2010 to shareholders of record as of December 13, 2010. All share amounts have been adjusted for this stock split.

Holders of at least 60% of the Class C preferred stock must approve any action authorized by the holders of Common Stock. In addition, there are certain restrictions on the transferability of shares of Class C preferred

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stock. In the event of a liquidation, dissolution or winding-up of the Company, the holders of the Class C preferred stock would be entitled to receive \$1.50 per share out of the assets of the Company before any amount would be paid to holders of Common Stock. The conversion value of the Class C convertible preferred stock is \$.064 and \$.096 per share at March 26, 2011 and March 27, 2010, respectively.

The Company currently grants stock option awards under the 2007 Incentive Stock Option Plan (the “2007 Plan”). This Plan was authorized by the Board of Directors in June 2007, initially reserving 873,000 shares (as retroactively adjusted for stock splits) of Common Stock for issuance to eligible employees and all non-employee directors. The 2007 Plan was approved by shareholders in August 2007. Prior to fiscal 2008, the Company had options outstanding under three other stock option plans: the 1994 Non-Employee Directors Stock Option Plan (the “1994 Plan”) (which was approved by shareholders in August 1995); the 1998 Incentive Stock Option Plan (the “1998 Plan”) (which was approved by shareholders in August 1999); and the 2003 Non-Employee Directors Stock Option Plan (the “2003 Plan”) (which was approved by shareholders in August 2003), collectively the “Prior Plans.” Upon shareholder approval of the 2007 Plan, all shares of Common Stock available for award under the 1998 and 2003 Plans were transferred to, and made available for award under the 2007 Plan. The 1994 Plan had no options available for grant upon adoption of the 2007 Plan. No further option grants may be made under the Prior Plans, although outstanding awards under the Prior Plans will remain outstanding in accordance with the terms of those plans and the stock option agreements entered into under those plans.

The 1994 Plan had a total of 675,345 common shares authorized for issuance; the 1998 Plan had a total of 4,016,250 shares authorized for issuance; and the 2003 Plan had a total of 315,000 shares authorized for issuance (all as retroactively adjusted for stock splits). Upon authorization of the 2007 Plan by

shareholders, 628,662 shares (as retroactively adjusted for stock splits) transferred from the 1998 and 2003 Plans into the 2007 Plan, bringing the total authorized shares to 1,501,662 (as retroactively adjusted for stock splits). In addition, in May 2010, the Compensation Committee of the Board of Directors authorized an additional 1,500,000 shares (as retroactively adjusted for stock splits), which were approved by shareholders in August 2010.

Generally, employee options vest within the first five years of their term, and have a duration of six to ten years. Outstanding options are exercisable for various periods through October 2019.

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A summary of changes in outstanding stock options is as follows:

	Weighted Average Exercise Price	Shares Outstanding	Shares Exercisable	Shares Available For Grant
At March 29, 2008	\$ 8.91	4,120,169	3,087,423	640,425
Granted	\$12.44	212,145	71,820	(212,145)
Became exercisable			308,762	
Exercised	\$ 3.01	(1,213,047)	(1,213,047)	
Canceled	\$14.50	(33,677)	(11,006)	6,413
At March 28, 2009	\$11.41	3,085,590	2,243,952	434,693
Granted	\$17.89	255,420	71,820	(255,420)
Became exercisable			335,052	
Exercised	\$ 9.25	(970,721)	(970,721)	
Canceled	\$14.99	(27,841)	(8,153)	11,157
At March 27, 2010	\$12.96	2,342,448	1,671,950	190,430
Authorized				1,500,000
Granted	\$31.51	788,027	71,820	(788,027)
Became exercisable			425,835	
Exercised	\$ 9.97	(569,063)	(569,063)	
Canceled	\$18.22	(35,734)	(4,903)	28,604
At March 26, 2011	\$19.35	<u>2,525,678</u>	<u>1,595,639</u>	<u>931,007</u>

The weighted average contractual term of all options outstanding at March 26, 2011 and March 27, 2010 was 3.9 years and 4.3 years, respectively. The aggregate intrinsic value of all options outstanding at March 26, 2011 and March 27, 2010 was \$32.9 million and \$25.8 million, respectively.

The weighted average contractual term of all options exercisable at March 26, 2011 and March 27, 2010 was 3.0 years and 3.5 years, respectively. The aggregate intrinsic value of all options exercisable at March 26, 2011 and March 27, 2010 was \$28.1 million and \$19.9 million, respectively.

A summary of the status of and changes in nonvested stock options granted is as follows:

	Shares	Weighted Average Grant-Date Fair Value (per Share)
Non-vested at March 29, 2008	1,032,746	\$4.36
Granted	212,145	\$3.53
Vested	(380,582)	\$4.22
Canceled	(22,671)	\$4.53
Non-vested at March 28, 2009	841,638	\$4.21
Granted	255,420	\$5.38
Vested	(406,872)	\$4.37
Canceled	(19,688)	\$4.78
Non-vested at March 27, 2010	670,498	\$4.49
Granted	788,027	\$8.58
Vested	(497,655)	\$4.73
Canceled	(30,831)	\$5.57
Non-vested at March 26, 2011	930,039	\$7.83

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The following table summarizes information about fixed stock options outstanding at March 26, 2011:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares Under Option	Weighted Average Remaining Life	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
\$ 3.26 - \$13.00	577,085	2.91	\$10.08	519,521	\$ 9.90
\$13.01 - \$15.27	676,971	1.82	\$15.05	675,659	\$15.05
\$15.28 - \$24.27	635,352	5.61	\$18.45	328,639	\$16.43
\$24.28 - \$35.31	636,270	4.78	\$33.25	71,820	\$26.64

During the fiscal years ended March 26, 2011, March 27, 2010 and March 28, 2009, the fair value of awards vested under the Company's stock plans was \$2.4 million, \$1.8 million and \$1.6 million, respectively.

The aggregate intrinsic value in the preceding tables is based on the Company's closing stock price of \$31.78, \$23.99 and \$17.34 as of the last trading day of the periods ended March 26, 2011, March 27, 2010 and March 28, 2009, respectively. The aggregate intrinsic value of options (the amount by which the market price of the stock on the date of exercise exceeded the exercise price of the option) exercised during the fiscal years ended March 26, 2011, March 27, 2010 and March 28, 2009 was \$9.4 million, \$10.1 million and \$12.5 million, respectively. As of March 26, 2011, March 27, 2010 and March 28, 2009, there was \$6.4 million, \$1.8 million and \$2.7 million, respectively, of unrecognized compensation expense related to non-vested fixed stock options that is expected to be recognized over a weighted average period of approximately four years, two years and two years, respectively.

Cash received from option exercises under all stock option plans was \$5.1 million, \$6.6 million and \$1.7 million for the fiscal years ended March 26, 2011, March 27, 2010 and March 28, 2009, respectively. The actual tax benefit realized for the tax deductions from option exercises was \$3.5 million, \$3.0 million and \$2.3 million for the fiscal years ended March 26, 2011, March 27, 2010 and March 28, 2009, respectively.

The Company issues new shares of Common Stock upon exercise of stock options.

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NOTE 10 — EARNINGS PER COMMON SHARE

The following is a reconciliation of basic and diluted earnings per common share for the respective years:

	Year Ended Fiscal March		
	2011	2010	2009
	(Amounts in thousands, except per share data)		
Numerator for earnings per common share calculation:			
Net Income	\$45,841	\$33,191	\$24,088
Less: Preferred stock dividends	(213)	(172)	(213)
Income available to common stockholders	<u>\$45,628</u>	<u>\$33,019</u>	<u>\$23,875</u>
Denominator for earnings per common share calculation:			
Weighted average common shares, basic	30,200	29,508	28,255
Effect of dilutive securities:			
Preferred stock	760	760	1,218
Stock options	<u>847</u>	<u>710</u>	<u>676</u>
Weighted average common shares, diluted	<u>31,807</u>	<u>30,978</u>	<u>30,149</u>
Basic earnings per common share:	<u>\$ 1.52</u>	<u>\$ 1.12</u>	<u>\$.85</u>
Diluted earnings per common share:	<u>\$ 1.44</u>	<u>\$ 1.07</u>	<u>\$.80</u>

The computation of diluted earnings per common share for fiscal years 2011, 2010 and 2009 excludes the effect of assumed exercise of approximately 705,000, 150,000 and 1,382,000, respectively, of stock options, as the exercise price of these options was greater than the average market value of the Company's Common Stock for those periods, resulting in an anti-dilutive effect on diluted earnings per share.

NOTE 11 — OPERATING LEASES AND OTHER COMMITMENTS

The Company leases retail facilities under noncancellable lease agreements which expire at various dates through fiscal year 2032. In addition to stated minimum payments, certain real estate leases have provisions for contingent rentals when retail sales exceed specified levels. Generally, the leases provide for renewal for various periods at stipulated rates. Most of the facilities' leases require payment of property taxes, insurance and maintenance costs in addition to rental payments, and several provide an option to purchase the property at the end of the lease term.

In recent years, the Company has entered into agreements for the sale/leaseback of certain stores. Realized gains are deferred and are credited to income as rent expense adjustments over the lease terms. The Company has lease renewal options under the real estate agreements at projected future fair market values.

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Future minimum payments required under noncancellable leases (including closed stores) are as follows:

<u>Year Ending Fiscal March</u>	<u>Leases</u>	<u>Less – Sublease Income</u> (Dollars in thousands)	<u>Net</u>
2012	\$ 27,055	\$ (432)	\$ 26,623
2013	23,265	(283)	22,982
2014	18,542	(192)	18,350
2015	14,217	(161)	14,056
2016	8,499	(126)	8,373
Thereafter	15,147	(158)	14,989
Total	<u>\$106,725</u>	<u>\$(1,352)</u>	<u>\$105,373</u>

Rent expense under operating leases, net of sublease income, totaled \$27,994,000, \$25,586,000 and \$24,030,000 in fiscal 2011, 2010 and 2009, respectively, including contingent rentals of \$110,000, \$117,000 and \$103,000 in each respective fiscal year. Sublease income totaled \$371,000, \$442,000 and \$446,000, respectively, in fiscal 2011, 2010 and 2009.

The Company enters into contracts with parts and tire suppliers, certain of which require the Company to buy (at market prices) up to 100% of its annual purchases of specific products. The agreements expire at various dates through November 2013. The Company believes these agreements provide it with high quality, branded merchandise at preferred pricing, along with strong marketing and training support.

On October 1, 2007, the Company entered into a new Employment Agreement with its Chief Executive Officer. The Agreement became effective on October 1, 2007 and has a five-year term. Under the Agreement, Mr. Gross (i) is paid a base salary of \$840,000; (ii) is eligible to earn a target annual bonus, pursuant to the terms of the Company's Management Incentive Compensation Plan, of up to 150% of his base salary upon the achievement of certain predetermined corporate objectives and (iii) participates in the Company's other incentive and welfare and benefit plans made available to executives. Mr. Gross also receives a special bonus of \$750,000, payable in five annual installments of \$150,000, which began on October 1, 2007 (the "Special Bonus"). If the Agreement terminates before October 1, 2012 either for Cause (as defined therein) or as the result of Mr. Gross's resignation without Good Reason (as defined therein), then Mr. Gross will be required to repay a portion of the last-received annual installment of the Special Bonus, pro-rata to the date of termination. In consideration for Mr. Gross's covenant not-to-compete with the Company or to solicit its employees, the Company will pay him an additional \$750,000, payable in five equal installments of \$150,000, beginning on October 1, 2012 or the earlier termination of the Agreement (the "Non-Compete Payment"). Finally, Mr. Gross is entitled to certain payments upon death, disability, a termination without Cause (as defined therein), a resignation by Mr. Gross for Good Reason (as defined therein) or a termination in the event of a Change in Control of the Company (as defined therein), all as set forth in detail in the Agreement.

On October 2, 2007, and in consideration for Mr. Gross's execution of the Agreement, the Company's Compensation Committee awarded to Mr. Gross an option to purchase 562,500 shares of Common Stock at an exercise price equal to the closing price of the Company's stock on the date of the award of \$15.20 per share, pursuant to the Company's 2007 Stock Incentive Plan. (Both the number of shares and share price reflect the impact of the December 2010 stock split.)

On December 30, 2010, the Company entered into Employment Agreements with John W. Van Heel, its President; Joseph Tomarchio Jr., its Executive Vice President-Store Operations; and Catherine D'Amico, its Executive Vice President and Chief Financial Officer ("the Agreements"). All three Agreements became effective on January 1, 2011 and have a four-year term.

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Under the Agreements, Messrs. Van Heel and Tomarchio and Ms. D'Amico (i) will be paid an annual base salary of \$445,000, \$475,000, and \$330,000 respectively; (ii) will be eligible to earn a target bonus, pursuant to the terms of the Company's bonus plan, up to, in the case of Mr. Van Heel, 100% of his base salary, and, in the case of Mr. Tomarchio and Ms. D'Amico, 87.5% of the executive's base salary, upon the achievement of certain predetermined corporate objectives and (iii) will participate in the Company's other incentive and welfare and benefit plans made available to executives. The base salary of each executive will be reviewed annually by the Compensation Committee and may be increased to reflect performance and responsibilities of each such executive.

Finally, each executive is entitled to certain payments upon death, disability, and termination without Cause (as defined in the Agreements), a resignation by the executive for Good Reason (as defined in the Agreements) or a termination in the event of a Change in Control of the Company (as defined in the Agreements), all set forth in detail in the Agreements. In accordance with the policy adopted by the Compensation Committee in May 2009, the executives' contracts do not include any provision for the payment of what is commonly referred to as an "excise tax gross-up" with respect to payments received by an executive upon Change in Control (as defined in the Agreements).

Also, on December 30, 2010 and in consideration of the executives' execution of the Agreements, the Company's Compensation Committee awarded to Messrs. Van Heel and Tomarchio and Ms. D'Amico an option to purchase 150,000, 120,000 and 90,000 shares of Common Stock, respectively, at an exercise price of \$35.31 per share (the closing price of the Company's stock on the date of the award), pursuant to the Company's 2007 Stock Incentive Plan (together, the "Executive Options"). Each of the Executive Options will vest equally over four years, beginning December 30, 2011.

NOTE 12 — EMPLOYEE RETIREMENT AND PROFIT SHARING PLANS

The Company sponsors a noncontributory defined benefit pension plan for Monro employees and the former Kimmel Automotive, Inc. employees. In fiscal 2005, the previously separate Monro and Kimmel pension plans were merged. The plan provides benefits to certain full-time employees who were employed with Monro and with Kimmel prior to April 2, 1998 and May 15, 2001, respectively.

Effective as of those dates, each company's Board of Directors approved plan amendments whereby the benefits of each of the defined benefit plans would be frozen and the plans would be closed to new participants. Prior to these amendments, coverage under the plans began after employees completed one year of service and attainment of age 21. Benefits under both plans, and now the merged plan, are based primarily on years of service and employees' pay near retirement. The funding policy for the Company's merged plan is consistent with the funding requirements of Federal law and regulations. The measurement date used to determine the pension plan measurements disclosed herein is March 31 for both 2011 and 2010.

The overfunded status of the Company's defined benefit plan is recognized as an asset in the Consolidated Balance Sheets as of March 26, 2011 and March 27, 2010.

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The funded status of each plan is set forth below:

	Year Ended Fiscal March	
	2011	2010
	(Dollars in thousands)	
Change in Plan Assets:		
Fair value of plan assets at beginning of year	\$15,361	\$11,631
Actual return on plan assets	2,444	4,262
Employer contribution	0	0
Benefits paid	(531)	(532)
Fair value of plan assets at end of year	<u>17,274</u>	<u>15,361</u>
Change in Projected Benefit Obligation:		
Benefit obligation at beginning of year	13,473	10,724
Interest cost	814	769
Actuarial gain	795	2,512
Benefits paid	(531)	(532)
Benefit obligation at end of year	<u>14,551</u>	<u>13,473</u>
Funded status of plan	<u>\$ 2,723</u>	<u>\$ 1,888</u>

The projected and accumulated benefit obligations were equivalent at March 27, 2010 and March 26, 2011.

Amounts recognized in accumulated other comprehensive loss consist of:

	Year Ended Fiscal March	
	2011	2010
	(Dollars in thousands)	
Unamortized transition obligation	\$ 0	\$ 0
Unamortized prior service cost	0	0
Unamortized net loss	2,545	3,301
Total	<u>\$ 2,545</u>	<u>\$ 3,301</u>

Changes in plan assets and benefit obligations recognized in other comprehensive income consist of:

	Year Ended Fiscal March	
	2011	2010
	(Dollars in thousands)	
Net transition obligation	\$ 0	\$ 0
Prior service cost	0	0
Net actuarial gain	756	1,311
Total	<u>\$ 756</u>	<u>\$ 1,311</u>

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Pension (income) expense included the following components:

	Year Ended Fiscal March		
	2011	2010	2009
	(Dollars in thousands)		
Interest cost on projected benefit obligation	\$ 814	\$ 769	\$ 751
Expected return on plan assets	(1,094)	(824)	(1,013)
Amortization of unrecognized actuarial loss	201	384	56
Net pension (income) expense	<u>\$ (79)</u>	<u>\$ 329</u>	<u>\$ (206)</u>

The weighted-average assumptions used to determine benefit obligations are as follows:

Year Ended

	Fiscal March	
	2011	2010
Discount rate	5.75%	6.14%

The weighted-average assumptions used to determine net periodic pension costs are as follows:

	Year Ended Fiscal March		
	2011	2010	2009
Discount rate	6.14%	7.36%	6.75%
Expected long-term return on assets	7.25%	7.25%	7.00%

The expected long-term rate of return on plan assets is established based upon assumptions related to historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The investment strategy of the plan is to conservatively manage the assets in order to meet the plan's long-term obligations while maintaining sufficient liquidity to pay current benefits. This is achieved by holding equity investments while investing a portion of assets in long duration bonds to match the long-term nature of the liabilities. The Company's general target allocation for the plan is 40% fixed income and 60% equity securities.

The Company's asset allocations, by asset category, are as follows at the end of each year:

	March 26, 2011	March 27, 2010
Cash and cash equivalents	2.5%	4.2%
Fixed income	32.2%	43.2%
Equity securities	65.3%	52.6%
Total	<u>100.0%</u>	<u>100.0%</u>

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A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following table provides fair value measurement information for the Company's major categories of defined benefit plan assets at March 26, 2011 and March 27, 2010, respectively:

	Fair Value Measurements at March 26, 2011 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Total</u>			

(Dollars in thousands)			
Equity securities:			
U.S. companies	\$ 8,235	\$ 8,235	
International companies	3,053	3,053	
Fixed income:			
U.S. treasuries/agencies	947		\$ 947
U.S. corporate bonds	4,294		4,294
International bonds	315		315
Cash equivalents	430		430
Total	<u>\$17,274</u>	<u>\$11,288</u>	<u>\$5,986</u>

Fair Value Measurements at March 27, 2010 Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	Total		Significant Unobservable Inputs (Level 3)
(Dollars in thousands)			
Equity securities:			
U.S. companies	\$ 6,001	\$6,001	
International companies	2,067	2,067	
Fixed income:			
U.S. treasuries/agencies	953		\$ 953
U.S. corporate bonds	5,690		5,690
Cash equivalents	650		650
Total	<u>\$15,361</u>	<u>\$8,068</u>	<u>\$7,293</u>

There are no required or expected contributions in fiscal 2012 to the plan.

The following pension benefit payments are expected to be paid:

	Year Ended Fiscal March
	(Dollars in thousands)
2012	\$ 570
2013	586
2014	588
2015	612
2016	659
2017 - 2021	3,973
Total	<u>\$6,988</u>

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The Company has a 401(K)/Profit Sharing Plan that covers full-time employees who meet the age and service requirements of the plan. The 401(K) salary deferral option was added to the plan during fiscal 2000. The first employee deferral occurred in March 2000. The Company makes matching contributions consistent with the provisions of the plan. Charges to expense for the Company's matching contributions for fiscal 2011, 2010 and 2009 amounted to approximately \$517,000, \$597,000 and \$642,000, respectively. The Company may also make annual profit sharing contributions to the plan at the discretion of the Company's Compensation Committee.

The Company has a deferred compensation plan (the "Deferred Compensation Plan") to provide an opportunity for additional tax-deferred savings to a select group of management or highly compensated employees. The Deferred Compensation Plan permits participants to defer all or any portion of the compensation that would otherwise be payable to them for the calendar year. In addition, the Company will credit to the participants' accounts such amounts as would have been contributed to the Company's 401(K)/Profit Sharing Plan but for the limitations that are imposed under the Internal Revenue Code based upon the participants' status as highly compensated employees. The Company may also make such additional discretionary allocations as are determined by the Compensation Committee. The Plan is an unfunded arrangement and the participants or their beneficiaries have an unsecured claim against the general assets of the Company to the extent of their Plan benefits. The Company maintains accounts to reflect the amounts owed to each participant. At least annually, the accounts are credited with earnings or losses calculated on the basis of an interest rate or other formula as determined by the Company's Compensation Committee. The total liability recorded in the Company's financial statements at March 26, 2011 and March 27, 2010 related to the Deferred Compensation Plan was \$974,000 and \$799,000, respectively.

The Company's management bonus plan provides for the payment of annual cash bonus awards to participating employees, as selected by the Board of Directors, based primarily on the Company's attaining pre-tax income targets established by the Board of Directors.

Charges to expense applicable to the management bonus plan totaled \$3,338,000, \$2,660,000 and \$2,034,000 for the fiscal years ended March 2011, 2010 and 2009, respectively.

NOTE 13 — RELATED PARTY TRANSACTIONS

The Company is currently a party to leases for certain facilities where the lessor is an officer of the Company, or family members of such officer. Six leases were assumed in March 2004 in connection with the Mr. Tire Acquisition. These payments under such operating and capital leases amounted to \$653,000, \$624,000 and \$605,000 for the fiscal years ended March 2011, 2010 and 2009, respectively. These payments are comparable to rents paid to unrelated parties. No amounts were payable at March 26, 2011 or March 27, 2010. No related party leases, other than the six assumed as part of the Mr. Tire Acquisition in March 2004, have been entered into, and no new leases are contemplated.

The Company has a management agreement with an investment banking firm associated with a principal shareholder/director of the Company to provide financial advice. The agreement provides for an annual fee of \$300,000, plus reimbursement of out-of-pocket expenses. During each of the fiscal years 2011, 2010 and 2009, the Company incurred fees of \$300,000, under this agreement. No amounts were payable at March 26, 2011 or March 27, 2010. In addition, this

investment banking firm, from time to time, provides additional investment banking services to the Company for customary fees. Approximately half of all payments made to the investment banking firm under the management agreement are paid to another principal shareholder/director of the Company.

MONRO MUFFLER BRAKE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 14 — SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The following transactions represent non-cash investing and financing activities during the periods indicated:

Year ended March 26, 2011

In connection with the fiscal year 2011 acquisitions (see Note 2), liabilities were assumed as follows:

Fair value of assets acquired	\$ 2,616,000
Goodwill	8,169,000
Cash paid, net of cash acquired	<u>(10,193,000)</u>
Liabilities assumed	<u>\$ 592,000</u>

In connection with the purchase of a store location, the Company increased property, plant and equipment by \$700,000 and decreased other non-current assets and current assets by \$539,000 and \$161,000, respectively.

In connection with the recording of capital leases, the Company increased both property, plant and equipment and long-term debt by \$1,065,000.

In connection with the recording of the pension liability adjustment, the Company increased other non-current assets, other comprehensive income and long-term deferred taxes by \$756,000, \$469,000 and \$287,000, respectively.

In connection with the accounting for income tax benefits related to the exercise of stock options, the Company decreased current liabilities and increased paid-in capital and long-term deferred taxes by \$3,538,000, \$3,531,000 and \$7,000, respectively.

In connection with the exercise of stock options and the satisfaction of tax withholding obligations by the Company's Chief Executive Officer (see Note 1) and other members of the Company's Board of Directors, the Company increased current liabilities, Common Stock, paid-in capital and treasury stock by \$1,120,000, \$1,000, \$606,000 and \$1,727,000, respectively.

Year ended March 27, 2010

In connection with the fiscal year 2010 acquisitions (see Note 2), liabilities were assumed as follows:

Fair value of assets acquired	\$ 45,352,000
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Goodwill	18,556,000
Cash paid, net of cash acquired	(46,103,000)
Liabilities assumed	<u>\$ 17,805,000</u>

In connection with recording the value of the Company's interest rate swap contracts, other comprehensive income and other current liabilities increased by \$435,000 and \$307,000, respectively, and other long-term liabilities and long-term deferred tax assets decreased by \$1,008,000 and \$266,000, respectively.

In connection with the recording of capital leases, the Company increased both property, plant and equipment and long-term debt by \$3,500,000.

MONRO MUFFLER BRAKE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In connection with the recording of the pension liability adjustment, the Company increased other non-current assets by \$1,311,000 and decreased other comprehensive income and long-term deferred taxes by \$813,000 and \$498,000, respectively.

In connection with the accounting for income tax benefits related to the exercise of stock options, the Company decreased current liabilities and increased paid-in capital by \$2,990,000.

In connection with the exercise of stock options and the satisfaction of tax withholding obligations by the Company's Chief Executive Officer (see Note 1) and other members of the Company's Board of Directors, the Company increased current liabilities, Common Stock, paid-in capital and treasury stock by \$792,000, \$1,000, \$2,343,000 and \$3,136,000, respectively.

In connection with the declaration of cash dividends, the Company increased other current liabilities and decreased retained earnings by \$1,434,000.

Year ended March 28, 2009

In connection with recording the value of the Company's interest rate swap contracts, other comprehensive income decreased by \$625,000 and other long-term liabilities and long-term deferred tax assets increased by \$1,008,000 and \$383,000, respectively.

In connection with the recording of capital leases, the Company increased both property, plant and equipment and long-term debt by \$550,000.

In connection with the recording of the pension liability adjustment, the Company increased other comprehensive income and long term deferred taxes by \$1,678,000 and \$1,004,000, respectively, and decreased other non-current assets by \$2,682,000.

In connection with the accounting for income tax benefits related to the exercise of stock options, the Company decreased current liabilities and long-term deferred tax assets by \$2,280,000 and \$14,000, respectively, and increased paid-in capital by \$2,266,000.

In connection with the exercise of stock options by the Company's Chief Executive Officer (see Note 1), the Company increased current liabilities, Common Stock, paid-in capital and treasury stock by \$3,364,000, \$5,000, \$1,925,000 and \$5,294,000, respectively.

Interest and Income Taxes Paid

	Year Ended Fiscal March		
	2011	2010	2009
	(Dollars in thousands)		
Cash paid during the year:			
Interest, net	\$ 5,006	\$5,880	\$ 5,702
Income taxes, net	\$24,464	\$9,584	\$11,355

NOTE 15 — LITIGATION

The Company is currently a party to various claims and legal proceedings incidental to the conduct of its business. If management believes that a loss arising from any of these matters is probable and can reasonably be

MONRO MUFFLER BRAKE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

estimated, the Company will record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Litigation is subject to inherent uncertainties, and unfavorable rulings could occur and may include monetary damages. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or in future periods. However, based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on its financial position or overall trends in results of operations.

NOTE 16 — DERIVATIVE FINANCIAL INSTRUMENTS

The Company reports derivatives and hedging activities in accordance with accounting guidance on disclosures about derivative instruments and hedging activities. This guidance requires that all derivative instruments be recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction, and if it is, depending on the type of hedge transaction.

At March 27, 2010, the notional amount of derivative financial instruments, which consisted solely of three interest rate swaps used to minimize the risk and/or costs associated with changes in interest rates, was \$30.0 million. These swaps matured in July 2010.

The effect of derivative instruments in cash flow hedge relationships on the financial statements for the year ended March 26, 2011 and March 27, 2010 were as follows:

Derivatives in Subtopic 815-20 Cash Flow Hedging	Amount of Gain or (Loss) Recognized in Accumulated Other Comprehensive	Location of Gain or (Loss) Reclassified from Accumulated Other	Amount of Gain or (Loss) Reclassified from Accumulated Other
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Relationships	Income on Derivatives (Effective Portion)		Comprehensive Income into Income (Effective Portion)	Comprehensive Income into Income (Effective Portion)	
	2011	2010		2011	2010
	(Dollars in thousands)			(Dollars in thousands)	
Interest rate contracts	\$ 190	\$ 435	Interest income (expense)	\$(305)	\$(902)

NOTE 17 — PREFERRED STOCK CONVERSION

In fiscal year 2009, preferred stockholders converted 32,500 shares of Class C preferred stock to 760,132 shares of Common Stock.

NOTE 18 — SUBSEQUENT EVENTS

In May 2011, the Company's Board of Directors declared a regular quarterly cash dividend of \$.08 per common share or common share equivalent to be paid to shareholders of record as of June 7, 2011. The dividend will be paid on June 17, 2011.

See Note 2 for a discussion of the Vespia acquisition which was signed on May 10, 2011.

MONRO MUFFLER BRAKE, INC. AND SUBSIDIARY

SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth consolidated statement of income data by quarter for the fiscal years ended March 2011 and 2010. Earnings per share and weighted average share information has been adjusted for the Company's three-for-two stock split. Individual line items summed by quarters may not agree to the annual amounts reported due to rounding.

	Fiscal Quarter Ended			
	June 2010	Sept. 2010	Dec. 2010	March 2011
	(Amounts in thousands, except per share data)			
Sales	\$158,240	\$162,102	\$165,528	\$150,808
Cost of sales	92,241	95,736	100,812	90,378
Gross profit	65,999	66,366	64,716	60,430
Operating, selling, general and administrative expenses	43,060	43,138	45,365	45,404
Intangible amortization	296	296	500	288
Loss on disposal of assets	19	231	185	344
Total operating expenses	43,375	43,665	46,050	46,036
Operating income	22,624	22,701	18,666	14,394
Interest expense, net	1,471	1,208	1,183	1,233

Other income, net	(67)	(73)	(427)	(80)
Income before provision for income taxes	21,220	21,566	17,910	13,241
Provision for income taxes	8,009	8,242	6,852	4,993
Net income	<u>\$ 13,211</u>	<u>\$ 13,324</u>	<u>\$ 11,058</u>	<u>\$ 8,248</u>
Basic earnings per share	<u>\$.44</u>	<u>\$.44</u>	<u>\$.37</u>	<u>\$.27</u>
Diluted earnings per share (a)	<u>\$.42</u>	<u>\$.42</u>	<u>\$.35</u>	<u>\$.26</u>
Weighted average number of common shares used in computing earnings per share				
Basic	29,993	30,124	30,275	30,409
Diluted	31,554	31,716	31,915	31,970

MONRO MUFFLER BRAKE, INC. AND SUBSIDIARY
SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	Fiscal Quarter Ended			
	June 2009	Sept. 2009	Dec. 2009	March 2010
	(Amounts in thousands, except per share data)			
Sales	\$128,045	\$136,634	\$152,729	\$147,231
Cost of sales	71,636	77,781	94,171	89,877
Gross profit	56,409	58,853	58,558	57,354
Operating, selling, general and administrative expenses	39,158	41,148	43,531	46,059
Intangible amortization	133	198	374	189
Gain (loss) on disposal of assets	139	(20)	402	627
Total operating expenses	39,430	41,326	44,307	46,875
Operating income	16,979	17,527	14,251	10,479
Interest expense, net	1,897	1,442	998	1,753
Other income, net	(43)	(75)	(71)	(90)
Income before provision for income taxes	15,125	16,160	13,324	8,816
Provision for income taxes	5,714	6,158	5,417	2,946
Net income	<u>\$ 9,411</u>	<u>\$ 10,002</u>	<u>\$ 7,907</u>	<u>\$ 5,870</u>
Basic earnings per share	<u>\$.32</u>	<u>\$.34</u>	<u>\$.27</u>	<u>\$.20</u>
Diluted earnings per share(a)	<u>\$.31</u>	<u>\$.33</u>	<u>\$.25</u>	<u>\$.19</u>

Weighted average number of common shares used in computing earnings per share

Basic	29,160	29,353	29,649	29,859
Diluted	30,654	30,819	31,169	31,389

- (a) Earnings per share for each period was computed by dividing net income by the weighted average number of shares of Common Stock and Common Stock Equivalents outstanding during the respective quarters.

Significant fourth quarter adjustments

There were no material, extraordinary, unusual or infrequently occurring items recognized in the fourth quarter of fiscal 2011 or fiscal 2010.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports that the Company files or submits pursuant to the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In conjunction with the close of each fiscal quarter and under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company conducts an evaluation of the effectiveness of the Company's disclosure controls and procedures. It is the conclusion of the Company's Chief Executive Officer and Chief Financial Officer, based upon an evaluation completed as of the end of the most recent fiscal quarter reported on herein, and subject to the limitations discussed below, that the Company's disclosure controls and procedures were sufficiently effective in ensuring that any material information relating to the Company was recorded, processed, summarized and reported to its principal officers to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The 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 reporting purposes in accordance with accounting principles generally accepted in the United States of America.

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 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.

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of March 26, 2011, the end of our fiscal year. Management has reviewed the results of its assessment with the Audit Committee of the Board of Directors. The effectiveness of the Company's internal control over financial reporting as of March 26, 2011 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Inherent Limitations on Effectiveness of Controls

The Company's management, including the Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures or its internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls' effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended March 26, 2011 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Company and Corporate Governance

Information concerning the directors and executive officers of the Company is incorporated herein by reference to the section captioned “Election of Directors” and “Executive Officers”, respectively, in the Proxy Statement.

Information concerning required Section 16(a) disclosure is incorporated herein by reference to the section captioned “Compliance with Section 16(a) of the Exchange Act” in the Proxy Statement.

Information concerning the Company’s corporate governance policies and procedures is incorporated herein by reference to the section captioned “Corporate Governance” in the Proxy Statement.

The Company’s directors and executive officers are subject to the provisions of the Company’s Code of Ethics for Management Employees, Officers and Directors (the “Code”), which is available in the Investor Information section of the Company’s web site, www.monro.com. Changes to the Code and any waivers are also posted on the Company’s web site in the Investor Information section.

Item 11. Executive Compensation

Information concerning executive compensation is incorporated herein by reference to the section captioned “Executive Compensation” in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information concerning the Company’s shares authorized for issuance under its equity compensation plans at March 26, 2011 and security ownership of certain beneficial owners and management is incorporated herein by reference to the sections captioned “Security Ownership of Principal Shareholders, Directors and Executive Officers” and “Equity Compensation Plan Information” in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information concerning certain relationships and related transactions is incorporated herein by reference to the sections captioned “Compensation Committee Interlocks and Insider Participation” and “Certain Transactions” in the Proxy Statement.

Item 14. Principal Accountant Fees and Services

Information concerning the Company’s principal accounting fees and services is incorporated herein by reference to the section captioned “Approval of Independent Accountants” in the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

Reference is made to Item 8 of Part II hereof.

Financial Statement Schedules

Schedules have been omitted because they are inapplicable, not required, the information is included elsewhere in the Financial Statements or the notes thereto or is immaterial. Specific to warranty reserves and related activity, as stated in the Financial Statements, these amounts are immaterial.

Exhibits

Reference is made to the Index to Exhibits accompanying this Form 10-K as filed with the Securities and Exchange Commission. The agreements accompanying this Form 10-K or incorporated herein by reference may contain representations, warranties and other provisions that were made, among other things, to provide the parties thereto with specified rights and obligations and to allocate risk among them, and such agreements should not be relied upon by buyers, sellers or holders of the Company's securities.

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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.

MONRO MUFFLER BRAKE, INC.
(Registrant)

By /s/ ROBERT G. GROSS
Robert G. Gross
Chief Executive Officer and Chairman of the Board

Date: May 25, 2011

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 date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ CATHERINE D'AMICO</u> Catherine D'Amico	Executive Vice President-Finance Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	May 25, 2011

/s/ RICHARD A. BERENSON Richard A. Berenson	Director	May 25, 2011
/s/ FREDERICK M. DANZIGER Frederick M. Danziger	Director	May 25, 2011
/s/ DONALD GLICKMAN Donald Glickman	Director	May 25, 2011
/s/ PETER J. SOLOMON Peter J. Solomon	Director	May 25, 2011
/s/ JAMES R. WILEN James R. Wilen	Director	May 25, 2011
/s/ ROBERT E. MELLOR Robert E. Mellor	Director	May 25, 2011
/s/ ELIZABETH A. WOLSZON Elizabeth A. Wolszon	Director	May 25, 2011

INDEX TO EXHIBITS

The following is a list of all exhibits filed herewith or incorporated by reference herein:

Exhibit No.	Document
3.01*	Restated Certificate of Incorporation of the Company, dated July 23, 1991, with Certificate of Amendment, dated November 1, 1991. (1992 Form 10-K, Exhibit No. 3.01)
3.01a*	Certificate of Change of the Certificate of Incorporation of the Company, dated January 26, 1996. (August 2004 Form S-3, Exhibit 4.1(b))
3.01b*	Certificate of Amendment to Restated Certificate of Incorporation, dated April 15, 2004. (August 2004 Form S-3, Exhibit No. 4.1(c))
3.01c*	Certificate of Amendment to Restated Certificate of Incorporation, dated October 10, 2007. (2008 Form 10-K, Exhibit 3.01c)
3.02*	Restated By-Laws of the Company, dated July 23, 1991. (Amendment No. 1, Exhibit No. 3.04)
10.01*	2007 Stock Incentive Plan, effective as of June 29, 2007. (May 2008 Form S-8, Exhibit No. 4)**

10.01a*	Amendment No. 1 to the 2007 Stock Incentive Plan, dated August 9, 2007. (May 2008 Form S-8, Exhibit No. 4.1)**
10.01b*	Amendment No. 2 to the 2007 Stock Incentive Plan, dated September 27, 2007. (May 2008 Form S-8, Exhibit No. 4.2)**
10.01c*	Amendment No. 3 to the 2007 Stock Incentive Plan, dated August 10, 2010. (August 2010 Form 8-K, Exhibit No. 10.1)
10.02*	1994 Non-Employee Directors' Stock Option Plan. (March 2001 Form S-8, Exhibit No. 4.1)**
10.02a*	Amendment, dated as of May 12, 1997, to the 1994 Non-Employee Directors' Stock Option Plan. (March 2001 Form S-8, Exhibit No. 4.2)**
10.02b*	Amendment, dated as of May 18, 1999, to the 1994 Non-Employee Directors' Stock Option Plan. (March 2001 Form S-8, Exhibit No. 4.3)**
10.02c*	Amendment, dated as of August 2, 1999, to the 1994 Non-Employee Directors' Stock Option Plan. (2002 Form 10-K, Exhibit No. 10.02c)**
10.02d*	Amendment, dated as of June 12, 2002, to the 1994 Non-Employee Directors' Stock Option Plan. (2002 Form 10-K, Exhibit No. 10.02d)**
10.03	Monro Muffler Brake, Inc. Deferred Compensation Plan, dated January 1, 2005 and last amended and restated as of January 1, 2011.**
10.04*	GUST Amendment and Restatement of the Monro Muffler Brake, Inc. Retirement Plan, dated April 1, 2002. (2007 Form 10-K, Exhibit No. 10.04)**
10.04a*	Amendment No. 1 to GUST Restatement, dated as of July 31, 2002. (2007 Form 10-K, Exhibit No. 10.04a)**
10.04b*	Amendment No. 2 to GUST Restatement, dated July 31, 2002. (2007 Form 10-K, Exhibit No. 10.04b)**
10.04c*	Amendment No. 3 to GUST Restatement, dated March 29, 2005. (2007 Form 10-K, Exhibit No. 10.04c)**

Exhibit No.	Document
10.04d*	Amendment No. 4 to GUST Restatement, dated December 21, 2006. (2007 Form 10-K, Exhibit No. 10.04d)**
10.05*	Profit Sharing Plan, amended and restated as of April 1, 1993. (1995 Form 10-K, Exhibit No. 10.05)**
10.05a*	Amendment, dated as of March 1, 2000, to the Profit Sharing Plan. (June 2001 Form S-8, Exhibit No. 4)**
10.06*	Employment Agreement, dated October 1, 2007, between the Company and Robert G. Gross. (October 2007 Form 8-K, Exhibit No. 99.1)**
10.07*	Employment Agreement, dated December 30, 2010 and effective January 1, 2011, between the Company and Joseph Tomarchio, Jr. (January 2011 Form 8-K, Exhibit No. 99.2)**
10.08*	1998 Employee Stock Option Plan, effective November 18, 1998. (December 1998 Form 10-Q, Exhibit No. 10.3 and March 2001 Form S-8, Exhibit No. 4)**
10.08a*	Amendment, dated May 20, 2003, to the 1998 Employee Stock Option Plan. (2004 Form 10-K, Exhibit No. 10.08a)**
10.08b*	Amendment, dated June 8, 2005, to the 1998 Employee Stock Option Plan. (April 2006 Form S-8 for the 1998 Plan, Exhibit No. 4.2)**
10.08c*	Amendment, dated September 26, 2007, to the 1998 Employee Stock Option Plan. (2008 Form 10-K, Exhibit 10.08c)**
10.09*	Kimmel Automotive, Inc. Pension Plan, as amended and restated effective January 1, 1989, adopted December 29, 1994. (2003 Form 10-K, Exhibit No. 10.09)**

10.09a*	First amendment, dated January 1, 1989, to the Kimmel Automotive, Inc. Pension Plan. (2003 Form 10-K, Exhibit No. 10.09a)**
10.09b*	Second amendment, dated January 1, 1989, to the Kimmel Automotive, Inc. Pension Plan. (2003 Form 10-K, Exhibit No. 10.09b)**
10.09c*	Third amendment, dated May 2001, to the Kimmel Automotive, Inc. Pension Plan. (2003 Form 10-K, Exhibit No. 10.09c)**
10.10*	2003 Non-Employee Directors' Stock Option Plan, effective August 5, 2003. (2004 Form 10-K, Exhibit No. 10.10)**
10.10a*	Amendment, dated June 8, 2005, to the 2003 Non-Employee Directors' Stock Option Plan. (April 2006 Form S-8 for the 2003 Plan, Exhibit No. 4.1)**
10.11*	Credit Agreement, dated as of July 13, 2005, by and among the Company, Charter One Bank, N.A., as Administrative Agent, and certain lenders party thereto. (June 2005 Form 10-Q, Exhibit No. 10.1)
10.11a*	Amendment No. 1 to Credit Agreement, dated January 12, 2007, by and among the Company, Charter One Bank, N.A., as Administrative Agent, and certain lenders party thereto. (December 2006 Form 10-Q, Exhibit No. 10.11a)
10.11b*	Amendment No. 2 to Credit Agreement, dated June 6, 2008, by and among Monro Muffler Brake, Inc. and RBS Citizens, N.A. (successor by merger to Charter One Bank, N.A.), as Administrative Agent for lenders party thereto. (June 2008 Form 8-K, Exhibit No. 10.11b)

Exhibit No.	Document
10.12*	Security Agreement, dated as of July 13, 2005, by and among the Company, Monro Service Corporation, Monro Leasing, LLC and Charter One Bank, N.A., as Administrative Agent for the lenders party to the Credit Agreement. (June 2005 Form 10-Q, Exhibit No. 10.2)
10.13*	Guaranty, dated as of July 13, 2005, of Monro Service Corporation. (June 2005 Form 10-Q, Exhibit No. 10.3)
10.15*	Negative Pledge Agreement, dated as of July 13, 2005, by and among the Company, Monro Service Corporation, Monro Leasing, LLC and Charter One Bank, N.A., as Administrative Agent for the lenders party to the Credit Agreement. (June 2005 Form 10-Q, Exhibit No. 10.5)
10.18*	Resale Restriction Agreement by and between the Company and each of its executive officers and certain senior-level managers, effective as of March 24, 2006. (March 2006 Form 8-K/A, Exhibit No. 10.1)
10.62*	Mortgage Agreement, dated September 28, 1994, between the Company and the City of Rochester, New York. (1995 Form 10-K, Exhibit No. 10.60)
10.63*	Lease Agreement, dated October 11, 1994, between the Company and the City of Rochester, New York. (1995 Form 10-K, Exhibit No. 10.61)
10.66*	Amendment to Lease Agreement, dated September 19, 1995, between the Company and the County of Monroe Industrial Development Agency. (September 1995 Form 10-Q, Exhibit No. 10.00)
10.67*	Employment Agreement, dated December 30, 2010 and effective as of January 1, 2011, between the Company and John W. Van Heel. (January 2011 Form 8-K, Exhibit No. 99.1)**
10.68*	Employment Agreement, dated December 30, 2010 and effective as of January 1, 2011, between the Company and Catherine D'Amico. (January 2011 Form 8-K, Exhibit No. 99.3)**
10.69*	Supply Agreement, dated as of December 1, 2010, by and between Ashland Consumer Markets (f/k/a The Valvoline Company, a division of

Ashland, Inc.) and Monro Service Corporation (December 2010 Form 10-Q, Exhibit No. 10.72)

- 10.70* Agreement of Purchase and Sale, by and among the Company, as Buyer, and BSA II LLC, CJA I LLC, Lane Dworkin Properties, LLC, AA&L II LLC, Seven Cousins of Rochester, LLC, Forus Properties LLC, Stoneridge 7 Partnership, 35 Howard Road Joint Venture, August, August, Lane of Rochester, LLC, The Charles J. and Burton S. August Family Foundation, Barbara S. Lane and Wendy Dworkin as Trustees under the Will of Sheldon A. Lane f/b/o Barbara A. Lane, Charles J. August and Burton S. August, as Sellers, dated as of March 14, 2008, with respect to Store Nos. 3, 7, 9, 10, 12, 14, 15, 17, 23, 25, 28, 29, 30, 31, 33, 34, 35, 36, 43, 44, 48, 49, 51, 52, 53, 54, 55, 57, 58 and 60. (2009 Form 10-K, Exhibit No. 10.70)
- 10.70a* Amendment to Purchase and Sale, by and among the Company, as Buyer, and BSA II LLC, CJA I LLC, Lane Dworkin Properties, LLC, AA&L II LLC, Seven Cousins of Rochester, LLC, Forus Properties LLC, Stoneridge 7 Partnership, 35 Howard Road Joint Venture, August, August, Lane of Rochester, LLC, The Charles J. and Burton S. August Family Foundation, Barbara S. Lane and Wendy Dworkin as Trustees under the Will of Sheldon A. Lane f/b/o Barbara A. Lane, Charles J. August and Burton S. August, as Sellers, dated as of March 14, 2008, with respect to Store Nos. 3, 7, 9, 10, 12, 14, 15, 17, 23, 25, 28, 29, 30, 31, 33, 34, 35, 36, 43, 44, 48, 49, 51, 52, 53, 54, 55, 57, 58 and 60. (2010 Form 10-K, Exhibit No. 10.70a)
- 10.71* Supply Agreement, dated April 11, 2007 and effective as of February 1, 2007, by and between Monro Service Corporation and AP Exhaust Products, Inc. (2007 Form 10-K, Exhibit No. 10.71)
- 10.71a* Amendment to Supply Agreement, dated as of February 20, 2009. (2009 Form 10-K, Exhibit No. 10.71a)

Exhibit No.	Document
10.77*	Management Incentive Compensation Plan, effective as of June 1, 2002. (2002 Form 10-K, Exhibit No. 10.77)**
10.79*	Agreement, dated January 1, 1998, between F&J Properties, Inc. and Mr. Tire, Inc., as predecessor-in-interest to the Company, effective January 1, 1998, with respect to Store No. 750. (2004 Form 10-K, Exhibit No. 10.79)
10.79a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 750. (2004 Form 10-K, Exhibit No. 10.79a)
10.79b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by F&J Properties, Inc., with respect to Store No. 750. (2004 Form 10-K, Exhibit No. 10.79b)
10.79c*	Renewal letter, dated April 16, 2007, from the Company to F&J Properties, Inc. with respect to No. Store 750. (2007 Form 10-K, Exhibit No. 10.79c)
10.80*	Agreement, dated January 1, 1997, between The Three Marquees and Mr. Tire, Inc., as predecessor-in-interest to the Company, with respect to Store No. 753. (2004 Form 10-K, Exhibit No. 10.80)
10.80a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 753. (2004 Form 10-K, Exhibit No. 10.80a)
10.80b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by The Three Marquees, with respect to Store No. 753. (2004 Form 10-K, Exhibit No. 10.80b)

10.80c*	Renewal Letter, dated March 6, 2006, from the Company to The Three Marquees, with respect to Store No. 753. (2006 Form 10-K, Exhibit No. 10.80c)
10.81*	Agreement, dated April 1, 1998, between 425 Manchester Road, LLC and Mr. Tire, Inc., as predecessor-in-interest to the Company, with respect to Store No. 754. (2004 Form 10-K, Exhibit No. 10.81)
10.81a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 754. (2004 Form 10-K, Exhibit No. 10.81a)
10.81b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by 425 Manchester Road, LLC, with respect to Store No. 754. (2004 Form 10-K, Exhibit No. 10.81b)
10.81c*	Renewal Letter, dated June 8, 2007, from the Company to 425 Manchester Road LLC, with respect to Store No. 754. (2008 Form 10-K, Exhibit No. 10.81c)
10.82*	Agreement, dated January 1, 1997, between The Three Marquees and Mr. Tire, Inc., as predecessor-in-interest to the Company, with respect to Store No. 756. (2004 Form 10-K, Exhibit No. 10.82)
10.82a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 756. (2004 Form 10-K, Exhibit No. 10.82a)
10.82b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by The Three Marquees, with respect to Store No. 756. (2004 Form 10-K, Exhibit No. 10.82b)
10.82c*	Renewal Letter, dated March 6, 2006, from the Company to The Three Marquees, with respect to Store No. 756. (2006 Form 10-K, Exhibit No. 10.82c)
10.83*	Agreement, dated January 1, 1997, between The Three Marquees and Mr. Tire, Inc., as predecessor-in-interest to the Company, with respect to Store No. 758. (2004 Form 10-K, Exhibit No. 10.83)

Exhibit No.	Document
10.83a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 758. (2004 Form 10-K, Exhibit No. 10.83a)
10.83b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by The Three Marquees, with respect to Store No. 758. (2004 Form 10-K, Exhibit No. 10.83b)
10.83c*	Renewal Letter, dated March 6, 2006, from the Company to The Three Marquees, with respect to Store No. 758. (2006 Form 10-K, Exhibit No. 10.83c)
10.84*	Agreement, dated September 2, 1999, between LPR Associates and Mr. Tire, Inc., as predecessor-in-interest to the Company, with respect to Store No. 765. (2004 Form 10-K, Exhibit No. 10.84)
10.84a*	Assignment and Assumption of Lease, dated March 1, 2004, between Mr. Tire, Inc. and the Company, with respect to Store No. 765. (2004 Form 10-K, Exhibit No. 10.84a)

10.84b*	Landlord's Consent and Estoppel Certificate, dated as of February 27, 2004, by LPR Associates, with respect to Store No. 765. (2004 Form 10-K, Exhibit No. 10.84b)
10.84c*	Renewal Letter, dated October 29, 2008, from the Company to LPR Associates with respect to Store No. 765. (2009 Form 10-K, Exhibit No. 10.84c)
21.01	Subsidiaries of the Company.
23.01	Consent of PricewaterhouseCoopers LLP.
24.01	Powers of Attorney.
31.1	Certification of Robert G. Gross, Chief Executive Officer.
31.2	Certification of Catherine D'Amico, Executive Vice President – Finance and Chief Financial Officer.
32.1	Certification Pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

** Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K pursuant to Item 14(c) hereof.

- An asterisk "*" following an exhibit number indicates that the exhibit is incorporated herein by reference to an exhibit to one of the following documents: (1) the Company's Registration Statement on Form S-1 (Registration No. 33-41290), filed with the Securities and Exchange Commission on June 19, 1991 ("Form S-1"); (2) Amendment No. 1 thereto, filed July 22, 1991 ("Amendment No. 1"); (3) the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1992 ("1992 Form 10-K"); (4) the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1995 ("1995 Form 10-K"); (5) the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1995 ("September 1995 Form 10-Q"); (6) the Company's Registration Statements on Forms S-8, filed with the Securities and Exchange Commission on March 22, 2001 (each a "March 2001 Form S-8"); (7) the Company's Registration Statement on Form S-8, filed with the Securities and Exchange Commission on June 26, 2001 ("June 2001 Form S-8"); (8) the Company's Annual Report on Form 10-K for the fiscal year ended March 30, 2002 ("2002 Form 10-K"); (9) the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2003 ("2003 Form 10-K"); (10) the Company's Annual Report on Form 10-K for the fiscal year ended March 27, 2004 ("2004 Form 10-K"); (11) the Company's Registration Statement on Form S-3 (Registration No. 333-118176), filed with the Securities and Exchange Commission on August 12, 2004 ("August 2004 Form S-3"); (12) the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2005 ("June 2005 Form 10-Q"); (13) the Company's Current Report on Form 8-K, filed March 31, 2006 ("March 2006 Form 8-K/A"); (14) the Company's Registration Statement on Form S-8 (Registration No. 333-133044) filed with the Securities and Exchange

Commission on April 6, 2006. ("April 2006 Form S-8 for 2003 Plan"); (15) the Company's Registration Statement on Form S-8 (Registration No. 333-133045) filed with the Securities and Exchange Commission on April 6, 2006. ("April 2006 Form S-8 for 1998 Plan"); (16) the Company's Annual Report on Form 10-K for the fiscal year ended March 25, 2006 ("2006 Form 10-K"); (17) the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 23, 2006 ("December 2006 Form 10-Q"); (18) the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2007 ("2007 Form 10-K"); (19) the Company's Current Report on Form 8-K, filed October 4, 2007 ("October 2007 Form 8-K"); (20) the Company's Annual Report on Form 10-K for fiscal year ended March 29, 2008 ("2008 Form 10-K"); (21) the Company's Registration Statement on Form S-8 (Registration No. 333-151196) filed with the Securities and Exchange Commission on May 27, 2008 ("May 2008 Form S-8"); (22) the Company's Current Report on Form 8-K, filed on June 11, 2008 ("June 2008 Form 8-K"); (23) the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2009 ("2009 Form 10-K"); (24) the Company's Annual Report on Form 10-K for the fiscal year ended