

For Immediate Release

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KAR Holdings, Inc. Reports Second Quarter 2007 Results

Carmel, IN, August 29, 2007 — KAR Holdings, Inc. today reported its financial results for the quarter ended June 30, 2007. For the second quarter of 2007, the company reported that revenue rose 12.8 percent to \$399.7 million as compared with second quarter 2006 revenue of \$354.2 million for the combined predecessor companies of ADESA, Inc. and Insurance Auto Auctions, Inc. Adjusted EBITDA, as defined in the company's senior credit facility dated April 20, 2007, rose 6.6 percent to \$108.7 million in the second quarter of 2007, as compared with second quarter 2006 adjusted EBITDA of \$102.0 million for the combined predecessor companies.

For the six months ended June 30, 2007, the company reported that revenue rose 11 percent to \$796.2 million as compared with revenue of \$717.5 million for the combined predecessor companies for the comparable 2006 period. Adjusted EBITDA for the six months ended June 30, 2007, rose 3.8 percent to \$215.4 million as compared with adjusted EBITDA of \$207.5 million for the combined predecessor companies for the comparable 2006 period.

Earnings Conference Call Information

KAR Holdings, Inc. will also be hosting an earnings conference call Thursday, August 30, 2007 at 11:00 a.m. EDT (10:00 a.m. CDT). The call will be hosted by KAR Holdings, Inc.'s Chairman and Chief Executive Officer Brian Clingen and Executive Vice President and Chief Financial Officer Eric Loughmiller. The conference call may be accessed by calling 800-289-0572 and entering participant passcode 4234815.

Financial statements for the second quarter 2007 can be found at the Web sites for ADESA, Inc. and Insurance Auto Auctions, Inc., at <http://www.adesainc.com> and <http://www.iaai.com>

About KAR Holdings, Inc.

KAR Holdings, Inc. is the holding company for ADESA, a leading provider of wholesale used vehicle auctions whose operations span North America with 54 used vehicle sites, Insurance Auto Auctions, Inc., a leader in total automotive loss control and specialty salvage services in the United States whose operations span North America with 137 sites and Automotive Finance Corporation, the premier capital funding source for the used vehicle industry with 89 sites across North America. For further information on ADESA, Insurance Auto Auctions, Inc. or Automotive Finance Corporation, visit the company's Web sites at <http://www.adesainc.com> and <http://www.iaai.com>.

KAR Holdings, Inc.
Consolidated Statements of Income
(In millions) (Unaudited)

| | 2007 | | | 2006 | |
|---|--------------------------------|---|---|--|--|
| | Successor | Predecessor | | Predecessor | |
| | April 20 – June 30, 2007 | ADESA April 1 – April 19, 2007 | IAAI March 28 – April 19, 2007 | ADESA April 1 – June 30, 2006 | IAAI March 27 – June 25, 2006 |
| Operating revenues | | | | | |
| ADESA | \$190.9 | \$58.9 | \$ -- | \$239.7 | \$ -- |
| IAAI | 90.7 | -- | 22.6 | -- | 78.3 |
| AFC | 28.5 | 8.1 | -- | 36.2 | -- |
| Total operating revenues | 310.1 | 67.0 | 22.6 | 275.9 | 78.3 |
| Operating expenses | | | | | |
| Cost of services (exclusive of depreciation and amortization) | 169.2 | 34.3 | 14.6 | 137.7 | 54.0 |
| Selling, general and administrative | 63.8 | 16.1 | 4.8 | 63.8 | 11.9 |
| Depreciation and amortization | 27.1 | 3.8 | 1.3 | 11.0 | 5.7 |
| Loss related to flood | -- | -- | -- | -- | 0.3 |
| Transaction expenses | -- | 22.4 | -- | -- | -- |
| Total operating expenses | 260.1 | 76.6 | 20.7 | 212.5 | 71.9 |
| Operating profit | 50.0 | (9.6) | 1.9 | 63.4 | 6.4 |
| Interest expense, net | 43.9 | 1.1 | 1.6 | 5.4 | 6.6 |
| Other income, net | (1.4) | (0.4) | -- | (0.1) | -- |
| Income (loss) from continuing operations before income taxes | 7.5 | (10.3) | 0.3 | 58.1 | (0.2) |
| Income taxes | 2.8 | 6.4 | 1.0 | 21.9 | (0.1) |
| Income (loss) from continuing operations | 4.7 | (16.7) | (0.7) | 36.2 | (0.1) |
| Loss from discontinued operations, net of income taxes | (0.1) | -- | -- | (0.1) | -- |
| Net income (loss) | \$4.6 | (\$16.7) | (\$0.7) | \$36.1 | (\$0.1) |

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KAR Holdings, Inc.
Consolidated Statements of Income
(In millions) (Unaudited)

| | 2007 | | | 2006 | |
|---|--------------------------------|---|--|--|---|
| | Successor | Predecessor | | Predecessor | |
| | April 20 – June 30, 2007 | ADESA January 1 – April 19, 2007 | IAAI January 1 – April 19, 2007 | ADESA January 1 – June 30, 2006 | IAAI December 26, 2005 – June 25, 2006 |
| Operating revenues | | | | | |
| ADESA | \$190.9 | \$325.4 | \$ -- | \$490.1 | \$ -- |
| IAAI | 90.7 | -- | 114.8 | -- | 156.0 |
| AFC | 28.5 | 45.9 | -- | 71.4 | -- |
| Total operating revenues | 310.1 | 371.3 | 114.8 | 561.5 | 156.0 |
| Operating expenses | | | | | |
| Cost of services (exclusive of depreciation and amortization) | 169.2 | 187.3 | 73.6 | 281.9 | 105.6 |
| Selling, general and administrative | 63.8 | 85.5 | 22.2 | 130.7 | 24.7 |
| Depreciation and amortization | 27.1 | 15.9 | 7.9 | 21.8 | 10.6 |
| Loss related to flood | -- | -- | -- | -- | 3.2 |
| Transaction expenses | -- | 24.8 | -- | -- | -- |
| Total operating expenses | 260.1 | 313.5 | 103.7 | 434.4 | 144.1 |
| Operating profit | 50.0 | 57.8 | 11.1 | 127.1 | 11.9 |
| Interest expense, net | 43.9 | 6.3 | 9.9 | 10.8 | 12.9 |
| Other income, net | (1.4) | (0.4) | -- | (0.2) | -- |
| Income (loss) from continuing operations before income taxes | 7.5 | 51.9 | 1.2 | 116.5 | (1.0) |
| Income taxes | 2.8 | 30.5 | 1.5 | 44.0 | (0.4) |
| Income (loss) from continuing operations | 4.7 | 21.4 | (0.3) | 72.5 | (0.6) |
| Loss from discontinued operations, net of income taxes | (0.1) | (0.1) | -- | (0.1) | -- |
| Net income (loss) | \$4.6 | \$21.3 | (\$0.3) | \$72.4 | (\$0.6) |

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KAR Holdings, Inc.
Consolidated Balance Sheets
(In millions)

| | <u>Successor</u> | <u>Predecessor</u> | |
|--|--------------------------------|--|---|
| | <u>June 30,</u> <u>2007</u> | <u>ADESA</u> <u>December 31,</u> <u>2006</u> | <u>IAAI</u> <u>December 31,</u> <u>2006</u> |
| | <i>(Unaudited)</i> | | |
| Assets | | | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | \$310.3 | \$195.7 | \$14.0 |
| Restricted cash | 16.0 | 7.8 | -- |
| Trade receivables, net of allowances | 366.9 | 192.8 | 56.6 |
| Finance receivables, net of allowances | 234.2 | 203.3 | -- |
| Retained interests in finance receivables sold | 75.0 | 69.6 | -- |
| Deferred income tax assets | 32.4 | 21.9 | 11.7 |
| Other current assets | 41.5 | <u>17.4</u> | <u>27.5</u> |
| Total current assets | 1,076.3 | 708.5 | 109.8 |
| <i>Other assets</i> | | | |
| Goodwill | 1,470.3 | 557.8 | 241.3 |
| Other intangible assets, net of accumulated amortization | 1,500.0 | 49.0 | 147.5 |
| Unamortized debt issuance costs | 87.2 | 5.2 | 8.1 |
| Other assets | 41.9 | <u>57.7</u> | <u>1.6</u> |
| Total other assets | 3,099.4 | 669.7 | 398.5 |
| Property and equipment, net of accumulated depreciation | <u>785.7</u> | <u>597.1</u> | <u>80.2</u> |
| Total assets | <u>\$4,961.4</u> | <u>\$1,975.3</u> | <u>\$588.5</u> |

KAR Holdings, Inc.
Consolidated Balance Sheets
(In millions)

| | Successor | Predecessor | |
|---|--|-------------------------------|------------------------------|
| | June 30, 2007 <i>(Unaudited)</i> | ADESA December 31, 2006 | IAAI December 31, 2006 |
| Liabilities and Stockholders' Equity | | | |
| <i>Current liabilities</i> | | | |
| Accounts payable | \$424.1 | \$249.6 | \$37.5 |
| Accrued employee benefits and compensation expenses | 46.0 | 43.1 | 4.9 |
| Accrued interest | 19.6 | 1.0 | 5.5 |
| Other accrued expenses | 86.4 | 41.1 | 9.0 |
| Income taxes payable | 7.4 | 11.3 | -- |
| Current maturities of long-term debt | 15.6 | 30.0 | 2.2 |
| Current liabilities of discontinued operations | <u>7.3</u> | <u>7.2</u> | <u>--</u> |
| Total current liabilities | 606.4 | 383.3 | 59.1 |
| <i>Non-current liabilities</i> | | | |
| Long-term debt | 2,608.9 | 322.5 | 342.6 |
| Deferred income tax liabilities | 655.7 | 58.8 | 36.1 |
| Other liabilities | <u>22.4</u> | <u>7.2</u> | <u>12.4</u> |
| Total non-current liabilities | 3,287.0 | 388.5 | 391.1 |
| Commitments and contingencies (Note 15) | -- | -- | -- |
| <i>Stockholders' equity</i> | | | |
| Preferred stock, \$0.01 par value: | | | |
| Authorized shares: 5,000,000 (successor) | | | |
| 50,000,000 (Predecessor – ADESA) | | | |
| Issued shares: none | -- | -- | -- |
| Common stock, \$0.01 par value: | | | |
| Authorized shares: 20,000,000 (Successor) | | | |
| 500,000,000 (Predecessor – ADESA) | | | |
| 100 (Predecessor – IAAI) | | | |
| Issued shares: 10,656,641 (2007) | | | |
| 94,868,104 (2006 Predecessor – ADESA) | | | |
| 100 (2006 Predecessor – IAAI) | 0.1 | 1.0 | -- |
| Additional paid-in capital | 1,048.2 | 673.3 | 151.4 |
| Retained earnings (deficit) | 4.6 | 580.0 | (13.1) |
| Treasury stock, at cost (Predecessor – ADESA) | | | |
| Shares: 4,785,335 | -- | (100.4) | -- |
| Accumulated other comprehensive income | <u>15.1</u> | <u>49.6</u> | <u>--</u> |
| Total stockholders' equity | <u>1,068.0</u> | <u>1,203.5</u> | <u>138.3</u> |
| Total liabilities and stockholders' equity | <u>\$4,961.4</u> | <u>\$1,975.3</u> | <u>\$588.5</u> |

KAR Holdings, Inc.
Consolidated Statements of Cash Flows
(In millions) (Unaudited)

| | 2007 | | | 2006 | |
|--|--------------------------------|---|--|--|---|
| | Successor | Predecessor | | Predecessor | |
| | April 20 – June 30, 2007 | ADESA January 1 – April 19, 2007 | IAAI January 1 – April 19, 2007 | ADESA January 1 – June 30, 2006 | IAAI December 26, 2005 – June 25, 2006 |
| Operating activities | | | | | |
| Net income (loss) | \$4.6 | \$21.3 | (\$0.3) | \$72.4 | (\$0.6) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 27.1 | 15.9 | 7.9 | 21.8 | 10.6 |
| Bad debt expense | 0.4 | -- | -- | 2.4 | -- |
| Deferred income taxes | -- | 0.9 | 1.3 | 2.0 | 2.0 |
| Stock-based compensation expense | -- | 6.4 | 2.6 | 3.4 | 1.2 |
| Other non-cash, net | <u>2.8</u> | <u>1.6</u> | <u>0.4</u> | <u>1.7</u> | <u>1.5</u> |
| | 34.9 | 46.1 | 11.9 | 103.7 | 14.7 |
| Changes in operating assets and liabilities, net of acquisitions: | | | | | |
| Finance receivables held for sale | 1.7 | (15.1) | -- | (20.0) | -- |
| Retained interests in finance receivables sold | (2.9) | (2.5) | -- | (6.8) | -- |
| Trade receivables and other assets | 54.1 | (164.6) | 0.4 | (60.4) | (1.8) |
| Accounts payable and accrued expenses | <u>(28.9)</u> | <u>150.2</u> | <u>4.6</u> | <u>39.2</u> | <u>6.8</u> |
| Net cash provided by (used by) operating activities | 58.9 | 14.1 | 16.9 | 55.7 | 19.7 |
| Investing activities | | | | | |
| Net increase (decrease) in finance receivables held for investment | 7.9 | (14.0) | -- | (30.6) | -- |
| Acquisition of businesses, net of cash acquired | (0.6) | -- | (0.5) | (30.0) | (18.4) |
| Purchases of property, equipment and computer software | (13.7) | (11.3) | (5.4) | (16.9) | (8.1) |
| Purchase of other intangibles | (0.1) | (0.1) | -- | (0.4) | -- |
| Proceeds from the sale of property, equipment and computer software | -- | -- | 0.1 | -- | 0.3 |
| Equity investments | -- | -- | -- | (12.5) | -- |
| Transfer to restricted cash | <u>0.8</u> | <u>(9.0)</u> | <u>--</u> | <u>(1.3)</u> | <u>--</u> |
| Net cash used by investing activities | (5.7) | (34.4) | (5.8) | (91.7) | (26.2) |
| Financing activities | | | | | |
| Net increase (decrease) in book overdrafts | 21.3 | 46.2 | -- | 27.8 | -- |
| Net increase (decrease) in borrowings from lines of credit | -- | -- | -- | -- | 7.0 |
| Payments on long-term debt | -- | (7.5) | (0.5) | (15.0) | (0.6) |
| Payments on capital leases | -- | -- | (0.1) | -- | (0.2) |
| Payments for debt issuance costs | -- | -- | -- | -- | (0.1) |
| Proceeds from issuance of common stock under stock plans | -- | 15.0 | -- | 6.0 | -- |
| Contributed capital | 2.9 | -- | -- | -- | 0.1 |
| Dividends paid to stockholders | -- | -- | -- | (13.4) | -- |
| Excess tax benefits from stock-based compensation | -- | 3.0 | -- | -- | -- |
| Repurchase of common stock | <u>--</u> | <u>(0.2)</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net cash provided by (used by) financing activities | 24.2 | 56.5 | (0.6) | 5.4 | 6.2 |
| Effect of exchange rate changes on cash | <u>0.2</u> | <u>(0.1)</u> | <u>--</u> | <u>0.5</u> | <u>--</u> |
| Net increase (decrease) in cash and cash equivalents | 77.6 | 36.1 | 10.5 | (30.1) | (0.3) |
| Cash and cash equivalents at beginning of period | <u>232.7</u> | <u>195.7</u> | <u>14.0</u> | <u>240.2</u> | <u>25.9</u> |
| Cash and cash equivalents at end of period | <u>\$310.3</u> | <u>\$231.8</u> | <u>\$24.5</u> | <u>\$210.1</u> | <u>\$25.6</u> |

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KAR Holdings, Inc.
EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA, as presented herein, are supplemental measures of the Company's performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). They are not measurements of the Company's financial performance under GAAP and should not be considered as alternatives to revenues, net income (loss) or any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of the Company's liquidity.

EBITDA is defined as net income (loss), plus interest expense net of interest income, income tax provision (benefit), depreciation and amortization. The Company calculates Adjusted EBITDA by adjusting EBITDA for certain items of income, expense, expected incremental revenue and cost savings as described in the Company's \$1,865 million senior credit facility. Per the Company's senior credit facility, Consolidated EBITDA for the quarters ending March 31, 2006 and June 30, 2006, is deemed to be \$105.5 million and \$102.0 million, respectively. Management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA is appropriate to provide additional information to investors about certain covenants required pursuant to the Company's senior credit facilities and the notes. EBITDA and Adjusted EBITDA measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the results as reported under GAAP. These measures may not be comparable to similarly titled measures reported by other companies.

The following table reconciles EBITDA and Adjusted EBITDA for the periods presented:
(In millions) (Unaudited)

| | Three Months Ended | | | | Twelve Months Ended |
|--|--------------------|-------------------|----------------|----------------|---------------------|
| | September 30, 2006 | December 31, 2006 | March 31, 2007 | June 30, 2007 | June 30, 2007 |
| Net income | \$29.8 | \$18.2 | \$38.4 | (\$12.8) | \$73.6 |
| Add back: discontinued operations | 0.3 | 0.1 | -- | 0.1 | 0.5 |
| Income from continuing operations | 30.1 | 18.3 | 38.4 | (12.7) | 74.1 |
| Add back: | | | | | |
| Income taxes | 17.3 | 14.5 | 24.6 | 10.2 | 66.6 |
| Interest expense, net of interest income | 13.5 | 13.8 | 13.6 | 46.6 | 87.5 |
| Depreciation and amortization | 18.7 | 19.4 | 18.7 | 32.2 | 89.0 |
| EBITDA | <u>\$79.6</u> | <u>\$66.0</u> | <u>\$95.3</u> | <u>\$76.3</u> | <u>\$317.2</u> |
| Nonrecurring charges | 3.1 | 5.2 | 1.1 | 5.6 | 15.0 |
| Nonrecurring transaction charges | -- | 6.1 | 2.4 | 22.4 | 30.9 |
| Noncash charges | 4.3 | 2.5 | 5.2 | 1.0 | 13.0 |
| Advisory services | 0.1 | 0.2 | 0.1 | 0.8 | 1.2 |
| Full year impact of recent acquisitions | 1.0 | 0.7 | -- | -- | 1.7 |
| Cost savings related to the merger | 2.7 | 2.6 | 2.6 | 2.6 | 10.5 |
| Adjusted EBITDA | <u>\$90.8</u> | <u>\$83.3</u> | <u>\$106.7</u> | <u>\$108.7</u> | <u>\$389.5</u> |

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