

# ADESA Urges Stockholders to Vote for the Proposed Merger

CARMEL, Ind.--(BUSINESS WIRE)--ADESA, Inc. (NYSE: KAR), North America's largest publicly traded provider of wholesale vehicle auctions and used vehicle dealer floorplan financing, announced today that it has mailed the following letter to its stockholders regarding the proposed merger with KAR Acquisition, Inc.

Dear Fellow Stockholders:

The March 28th Special Meeting of ADESA Stockholders is rapidly approaching. At the Special Meeting, you will be asked to make a very important decision regarding the future of your investment in ADESA.

You will receive \$27.85 in cash for each share of ADESA common stock you own if stockholders approve the company's previously announced agreement to be acquired by KAR Acquisition, Inc. **Your Board of Directors has unanimously (excluding the recused directors Messrs. Gartzke and Sales) determined that the proposed merger is in the best interests of the company and all ADESA stockholders. WE URGE YOU TO VOTE FOR THE PROPOSED MERGER TODAY.**

ISS AND GLASS LEWIS, THE NATION'S LEADING INDEPENDENT  
PROXY ADVISORY FIRMS, BOTH RECOMMEND  
THAT STOCKOLDERS VOTE FOR THE PROPOSED MERGER

As you make your final determination regarding your investment in ADESA, we strongly urge you to join with ISS and Glass Lewis, whose analyses are relied upon by hundreds of major institutional investment funds, mutual funds, pension plans and other fiduciaries, to vote FOR the proposed merger.

In its report, ISS stated:

“Based on our review of the terms of the transaction . . . the strategic rationale, the process undertaken and the favorable transaction comparison, we believe that the merger agreement warrants shareholder support.” \*

In its analysis, Glass Lewis stated:

“[W]e believe the proposed consideration offers a financially reasonable valuation and there are no significant conflicts of interest that would cause us to challenge the agreement. Given the rigorous sale process and the unanimous support of the board, we believe the proposed transaction is in the interests of shareholders. Accordingly, we recommend that shareholders vote FOR the proposal.”\*

THE PROPOSED MERGER IS THE RESULT OF

A COMPREHENSIVE REVIEW OF ADESA'S  
STRATEGIC ALTERNATIVES AND A ROBUST AUCTION PROCESS

Your Board, together with its independent financial advisor, UBS, conducted an extensive auction process. As a result of this process and after considering the challenging industry environment and the significant investments and associated execution risks to facilitate ADESA's future growth, **your Board concluded that a sale of the entire company would maximize value for all ADESA stockholders.**

YOUR BOARD STRONGLY RECOMMENDS THAT ALL ADESA  
STOCKHOLDERS VOTE FOR THE PROPOSED MERGER

**The proposed merger delivers a 37% premium over the closing share price on July 26, 2006, the date the board of directors authorized the initiation of the process.** The purchase price also represents a multiple of 10.1x LTM EBITDA, which is 23% higher than ADESA's average of 8.2x since its IPO on June 16, 2004.

The proposed merger is not conditioned on the ability of the buyer group to obtain financing. All regulatory approvals have already been satisfied.

PROTECT THE VALUE OF YOUR INVESTMENT.  
VOTE FOR THE PROPOSED MERGER TODAY

Approval of the merger requires an affirmative vote of a majority of ADESA's outstanding shares entitled to vote. Accordingly, whether or not you plan to attend the Special Meeting in person, please complete, sign, date and return the enclosed proxy card or voting instruction card today. Alternatively, you may submit your proxy or instructions by phone or the Internet to ensure that your shares will be represented at the Special Meeting. If you do not vote, it will have the same effect as voting against the merger.

YOUR VOTE IS EXTREMELY IMPORTANT -  
FAILURE TO VOTE IS THE SAME AS A VOTE AGAINST THE MERGER

If you have any questions or need assistance in voting your shares, please call our proxy solicitor, Georgeson Inc., toll-free at (866) 425-8154; banks and brokers can call: (212) 440-9800.

Thank you for your support.

On behalf of your Board of Directors,

Sincerely,

David G. Gartzke  
*Chairman of the Board and Chief Executive Officer*

*\*Permission to use quotations from the ISS and Glass Lewis reports was neither sought nor obtained.*

As previously announced on December 22, 2006, ADESA entered into a definitive merger agreement under which KAR Acquisition, Inc., an indirect subsidiary of KAR Holdings II, LLC, an entity controlled by a group of private equity funds consisting of Kelso & Company, GS Capital Partners VI, L.P., an affiliate of Goldman Sachs & Co., ValueAct Capital Master Fund, L.P. and Parthenon Investors II, L.P. will acquire all of the outstanding common stock of ADESA for \$27.85 per share in cash.

ADESA's Board of Directors unanimously (excluding the recused directors Messrs. Gartzke and Sales) approved the proposed merger and recommends that all ADESA stockholders vote "FOR" the adoption and approval of the merger agreement and the merger. The adoption and approval of the merger agreement and the merger require the affirmative vote of the holders of a majority of the outstanding shares of ADESA's common stock entitled to vote on the record date.

The Special Meeting of ADESA stockholders to consider and vote upon the proposed merger has been scheduled for March 28, 2007 at 10:00 am local time at ADESA's executive offices located at 13085 Hamilton Crossing Blvd., Carmel, Indiana 46032. ADESA stockholders of record as of the close of business on February 12, 2007 will be entitled to vote at the special meeting.

Stockholders are encouraged to read ADESA's definitive proxy materials in their entirety as they provide, among other things, a detailed discussion of the process that led to the proposed merger and the reasons behind the Board of Directors' recommendation that stockholders vote "FOR" the approval and adoption of the merger agreement and the merger.

The vote of ADESA stockholders is very important regardless of the number of shares of common stock they own. Failure to vote has the same effect as a vote against the merger. Stockholders are urged to complete, sign and date the proxy card and return it in the prepaid and addressed envelope as soon as possible.

Stockholders who have questions about the proposed merger, need assistance in submitting their proxy or voting their shares should contact ADESA's proxy solicitor, Georgeson Inc., 17 State Street, New York, New York 10004; banks and brokers can call: (212) 440-9800 and the toll-free number (for Georgeson) at (866) 425-8154.

### **About ADESA, Inc.**

Headquartered in Carmel, Indiana, ADESA, Inc. (NYSE: KAR) is North America's largest publicly traded provider of wholesale vehicle auctions and used vehicle dealer floorplan financing. The company's operations span North America with 54 ADESA used vehicle auction sites, 42 Impact salvage vehicle auction sites and 85 AFC loan production

offices. For further information on ADESA, Inc., visit ADESA's Web site at <http://www.adesainc.com> .

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