

ADESA INC
Form 10-Q
August 09, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006

Commission File Number 001-32198

ADESA, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

35-1842546
(I.R.S. Employer
Identification No.)

**13085 Hamilton Crossing Boulevard
Carmel, Indiana 46032**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(800) 923-3725**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of common stock outstanding as of July 31, 2006:

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Class		Number of Shares Outstanding
	Common	89,896,060

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

ADESA, Inc.
Consolidated Statements of Income
(In millions, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2006	2005	June 30, 2006	2005
Operating revenues				
Auction services group	\$ 239.7	\$ 214.3	\$ 490.1	\$ 428.0
Dealer services group	36.2	32.2	71.4	61.2
Total operating revenues	275.9	246.5	561.5	489.2
Operating expenses				
Cost of services (exclusive of depreciation and amortization)	137.7	115.1	281.9	229.6
Selling, general and administrative	63.8	56.1	130.7	110.9
Depreciation and amortization	11.0	10.0	21.8	19.2
Total operating expenses	212.5	181.2	434.4	359.7
Operating profit	63.4	65.3	127.1	129.5
Interest expense	7.1	8.5	14.1	16.6
Other income, net	(1.8)	(2.3)	(3.5)	(3.8)
Income from continuing operations before income taxes	58.1	59.1	116.5	116.7
Income taxes	21.9	23.0	44.0	45.5
Income from continuing operations	36.2	36.1	72.5	71.2
Loss from discontinued operations, net of income taxes	(0.1)	(0.2)	(0.1)	(0.3)
Net income	\$ 36.1	\$ 35.9	\$ 72.4	\$ 70.9
Earnings per share basic				
Income from continuing operations	\$ 0.40	\$ 0.40	\$ 0.81	\$ 0.79
Loss from discontinued operations, net of income taxes				
Net income	\$ 0.40	\$ 0.40	\$ 0.81	\$ 0.79
Earnings per share diluted				
Income from continuing operations	\$ 0.40	\$ 0.40	\$ 0.80	\$ 0.78
Loss from discontinued operations, net of income taxes				