



10th July 2008

Manheim advises Commercial Vehicle vendors to be realistic

Manheim Auctions is advising its commercial vehicle vendors to be realistic in their expectations to ensure that the market remains stable during the current economic uncertainty. Understanding the changing market conditions and pricing vehicles accordingly will be of benefit to vendors compared with those who are driven primarily by the price guides or those who just want to clear stock at any cost.

In recent months Manheim's seven dedicated Commercial Vehicle Auction Centres have experienced higher levels of duplicated stock, a rise in the number of damaged vehicles and more recently an increase in the average age of vehicles. All of these factors, combined with the current economic uncertainty, will impact sales values. However, there have been noticeable regional fluctuations in buyer activity and demand, mainly influenced by the availability of stock and by the condition and price of that stock: factors that are controlled directly, or indirectly, by vendors.

Commercial vehicles vendors can be split into three broad categories – the optimistic, the pessimistic and the realistic. Optimistic vendors are convinced that the van market will recover based on the strength of the market over the past three years. Their company policy and structure usually dictates the reserve pricing which can restrict the ability of the disposal manager to react to changing market trends. Pessimistic vendors believe that the market will not recover, possibly even getting worse, and are likely to distress sell at 'first bid' which can unsettle other vendors and buyers alike. The actions of pessimistic vendors can lead to pressure on other vendors to 'sell, sell, sell' in order to maintain their conversion rates.

Realistic vendors understand the current market and utilise the knowledge of, and relationship with, their auction house to maximise conversions but not solely on the 'first bid' approach. These vendors are empowered by their businesses to make decisions and to react quickly to the market. It is this approach that guarantees strong attendances as realistic reserves and sale decisions send out positive messages to buyers. Valuations and market data are sought while value guides are put to one side.

Alex Wright, Sales Director, Commercial Vehicles at Manheim Auctions says: "During the coming days and weeks I would ask all vendors to acknowledge that the days of 'getting lucky' as a vendor are now gone. Every auction is attended by both physical and online trade buyers and, now more than ever before, by end-users. All these buyers have plenty of choice and know what they will pay. Auctioneers and vendors alike can no longer push bids as may have been possible in the past three years. Realistic vendors with realistic expectations make their own luck and can bring stability to the market at a time of uncertainty."

Ends



About Manheim

Manheim is the world's largest automotive services company and, through its unparalleled range of products and services, drives every stage of the used vehicle lifecycle. Officially voted Britain's Best Remarketing company for the last 3 years, Manheim handles nearly 10 million used vehicles worldwide, facilitating transactions representing nearly \$59 billion in value. Manheim is a subsidiary of Atlanta-based Cox Enterprises Inc., one of the world's leading media companies and providers of automotive services. Throughout the world Manheim has over 130 remarketing operations in five Continents, including 38 European locations. In the UK, there are 3 business divisions:

Manheim Auctions & Remarketing: providing a national physical auction network, comprising 19 centres of which 7 have dedicated commercial vehicle activities; a dedicated trade-only direct sales channel; 3 online bidding /sales channels. It includes the brands of Manheim Auctions, VRS and RMS.

Manheim DeFleet Services: providing logistics; vehicle inspection; asset management; reconditioning and pre-sale preparation. It includes the brands of Manheim SMART Repair, KAH Systems, Manheim Inspection Services and Manheim Asset Management.

Manheim Retail Services: providing retail marketing support including point-of-sale materials; used car stock locators; professional vehicle photography; sales lead management software and aftersales CRM software. It includes the brands of Portfolio, e-GoodManners and Real Time Communications.

For further information, please contact:

Andrew Andersz
JJ (for Manheim Auctions)
Tel: +44 (0)1865 343100
Email: andrew.andersz@thejjgroup.com