



The Reynolds and Reynolds Company
A Most Trusted Provider of Software, Services, and
Document Solutions for Automotive Retailers

Media Contact:
Tom Schwartz
937.485.8109

The Reynolds Way

- *Experienced, knowledgeable people.*
- *Proven development processes.*
- *Industry-leading software.*
- *Trusted business practices.*
- *Award-winning service and support.*

Those are the core strengths of The Reynolds and Reynolds Company and hallmarks of our brand.

With more than eighty years of experience serving automotive retailers, Reynolds is driven to be a world-class dealer services provider.

Reynolds serves more than 18,500 dealerships worldwide through its products and services.

Automotive dealerships across the globe rely on Reynolds software, services, and document solutions every day to help them operate their businesses more effectively and profitably and build stronger relationships with their customers.

“Reynolds continually works to deliver the software and services that help dealerships make their business better – day after day, month after month, year after year. That’s never been more important than it is in today’s current economic climate. Our solutions are aimed directly at helping dealerships improve their operations and profits now and for the long term.”

Chairman and CEO Bob Brockman



Company Facts



- Founded in 1866 as a business forms printing company, Reynolds started serving automotive retailers in 1927.
- In 2006, Reynolds and Universal Computer Systems (UCS) merged their two organizations under the Reynolds brand to form the world's pre-eminent dealer services company.
- In 2008, Reynolds acquired DiversiForm Inc. to complement its document solutions business.
- Headquartered in Dayton, Ohio, Reynolds has major North American operations in Houston and College Station, Texas, and Celina, Ohio, as well as Mississauga, Ontario, and Montreal, Quebec.
- Kalamazoo-Reynolds, based in Birmingham, England, serves customers in the U.K. with its automotive dealership solutions and IT services.
- Reynolds Europe serves dealerships across the continent from Belgium to The Netherlands and Luxembourg, as well as Switzerland, France, and Germany.
- In independent research conducted for Reynolds, the company's customer satisfaction rankings are continually rated above 90 percent, with customers consistently willing to recommend Reynolds to others.

Firsts

- In 1869, Ira Reynolds invented and patented a removable, reusable hard cover for duplicating sales books that used an insertable carbon leaf.
- In 1927, Reynolds began producing standard business forms and paper-based accounting systems for U.S. Chevrolet dealerships.
- Reynolds entered the electronic data processing field in 1960 and became the first to offer computer services to auto dealerships.
- In the 1990s, UCS introduced a number of innovations for the POWER dealership management system, including software for customer satisfaction, human resource management, computer assisted instruction, and integrated vehicle barcode inventory.
- The company released the automotive industry's first Internet-based executive reporting software for use with the POWER system in 2004.

Awards

- The highest awards for the best dealership management systems and Desking software in the Dealers' Choice Awards from *Auto Dealer Monthly* in 2008.
- Software Technical Assistance Recognition, Lifetime Achievement Award, and Hall of Fame recognition from the Service & Support Professionals Association.
- Service Quality Award from the Association for Services Management International for exceeding stringent industry benchmarks in customer service and support.
- Top 125 Learning Organization from *Training* magazine for excellence in associate development programs.

U.S. Industry Figures and Forecasts

Automotive retailing is a large and complex industry that is a significant economic engine for local, regional, and national markets across the globe.

Prior Year Figures

Note: NADA Data reports are published each May.

Based on early 2008 year end data from the National Automobile Dealers Association (NADA):

- Motor vehicle sales account for nearly 20 percent of total retail sales in the U.S.
- U.S. new vehicle sales were down 18 percent from 2007 levels to 13.2 million units sold.
- New and used vehicle car sales totaled 53 percent of overall industry sales.
- All vehicle segments declined in sales volume, except for the lower small car segment that grew by seven percent.

According to the “NADA Data” report highlighting yearly results for 2007:

- U.S. new vehicle sales reached 16.1 million, while more than 18.5 million used vehicles were sold by franchised new car dealers.
- Total yearly sales per dealership averaged more than \$33 million.
- Used vehicle and fixed operations profits both rose slightly and accounted for more than 41 percent of total dealership profits.
- To enhance customer satisfaction and convenience, the average dealership is open 56 hours per week and 71 percent of dealers offer evening service hours, weekend hours, or both.
- New car dealerships employed an estimated average of 53 employees and had an annual dealership payroll of more than \$2.5 million. Overall, automotive retailing represents almost 13.5 percent of the nation’s total retail trade payroll; new car dealerships combined for an annual \$54 billion in employment, up two percent from 2006.

Source: www.nada.org

Forecasts

NADA Chairman John McElaney has indicated that the first few months of 2009 will be critical to the future of the automotive industry – and the U.S. economy.

According to NADA Chief Economist Paul Taylor, 2009 U.S. light-vehicle sales are expected to drop 3.8 percent to 12.7 million, assuming no automakers go out of business.

In addition, the auto industry has been experiencing a trend toward fewer franchised new car dealerships for more than twenty years, fueled by dealership consolidations, mergers, and closings. The current U.S. economic situation has helped to rapidly accelerate that trend over the past few years.

In 2008, approximately 1,000 dealerships closed their doors. In 2009, that number is expected to be nearly 1,200.

Still, Taylor expects the economy to improve in the second quarter, with recovery stimulated by federal aid to banks and auto manufacturers.

Moreover, while consumers continue to keep their vehicles for longer time periods, parts and service departments are expected to still be strong revenue generating areas for dealerships.



Making Business Better: Dealership Management Systems

Reynolds offers automotive retailers their choice of two comprehensive, robust dealership management systems, ERA[®] and POWER. Both provide dealers with an integrated approach to surrounding the dealership with the software, services, and support they need to maximize performance and profit across every employee, department, and store.

The ERA DMS

The ERA[®] dealership management system (DMS) is built on a core foundation of software applications that help automotive retailers run every aspect of their business more efficiently and profitably. Built on a single name file, the ERA DMS demonstrates a clear picture of customer value for each department and overall for the dealership.

Dealership personnel use the ERA DMS core applications in the daily operations of the sales, finance, parts, and service departments, as well as the business office.

In addition, dealers can select from a number of additional integrated solutions and services to further develop and manage customer relationships, drive department and business efficiency, and increase sales and profitability.

New solutions for the ERA DMS typically are developed with a graphical user interface (GUI) to help improve usability and provide additional feature functionality to the end user.

Reynolds also has incorporated an option for computer assisted instruction to help dealerships better utilize the enhancements delivered with each ERA DMS software release.

The ERA DMS is delivered through an in-house server or through Reynolds' business-class hosted solution.

The POWER System

The POWER dealership management system (DMS) is the most integrated suite of dealership software available and provides a single source for every dealership's software needs. A cutting-edge system with advanced technology, POWER drives constant control and profits in all aspects of dealership operations with fully integrated sales, finance, parts, service, and Internet applications.

The POWER system capitalizes on users' familiarity with other PC-based programs, enabling them to learn the software quickly. Users are able to navigate the system through a graphical user interface (GUI) with intuitive point-and-click functionality. Hyperlinks, clickable buttons, and expandable "tree view" menus further add to users' ability to easily learn and use the system.

POWER also incorporates robust reporting tools for dealership management to help them easily view and monitor key areas of their business, which can simplify management control and enhance employee productivity.

Reynolds supports utilization of POWER's advanced features through in-dealership visits, system-wide electronic manuals and help windows, and computer-driven training.

Training and Support

Reynolds backs both the ERA and POWER dealership management systems with its world-class training and support organization.

DMS training options include in-dealership training, phone-based training, online courses, and computer assisted instruction.

The Reynolds ERA and POWER customer support centers are staffed with experienced professionals who are trained to advise customers from the simplest to most complex software, hardware, and networking issues.

Making Business Better: DMS Brand-Neutral Solutions

In addition to dealership management systems (DMS), Reynolds develops and delivers a broad range of business solutions and services to meet dealers' needs, regardless of the DMS they use to run their daily operations. These offerings include hardware and networking services, business consulting, data archiving, pre-employment screening, and Web solutions.

Reynolds Consulting Services

From eBusiness consulting to establishing a Business Development Center to Sales process training to Parts Asset Management, Reynolds Consulting Services professionals can help dealerships improve their processes, implement best practices, and achieve their desired results.

Reynolds Consulting Services is one of the most comprehensive and thorough consulting practices in the automotive industry. Reynolds Consulting Services offers dealers a fresh perspective on common challenges, regardless of the DMS.

Reynolds consultants offer a wealth of practical industry knowledge and best practices solutions, as the average team member has approximately 25 years of experience in in-dealership management, franchise ownership, and Reynolds systems.

Reynolds consultants work directly with dealership personnel to help ensure the approach is customized to meet the dealership's needs. Consultants use this general framework to address operational challenges and create the culture that best suits the dealership.

TestFirst Hiring

TestFirst Hiring provides pre-employment assessments to assist automotive dealerships in finding applicants that are well-suited for both the organization and the position. The long-term benefits include reduced turnover rates, maximized benefits of recruiting investments, and increased productivity by appropriately matching employees to positions. (www.testfirsthiring.com)

Reynolds Web Solutions

Reynolds Web Solutions can provide dealerships the necessary tools to create and maintain a successful online presence. Solutions include Web site design, inventory marketing, search engine optimization, contact management tools, Internet marketing, and sales training.

Reynolds' WebMakerX[®] Web site packages provide a range of Web site options to help dealerships sell more parts, service, and cars and increase customer loyalty. WebMakerX sites have a unique consumer-focused design to help dealerships convey the right information at the right time and make it easier do business with the dealership.

New for 2009, the Search Engine Ad Management Service helps dealerships better track their Web advertising dollars and results. Reynolds' Search Ad Specialists combine their knowledge with sophisticated technology to help dealerships increase their online marketing effectiveness and avoid ad sources that do not produce new leads.

Reynolds Web Solutions are all supported by Reynolds' world-class technical support. (www.reynoldswsolutions.com)

Kodata

Kodata Solutions provide rapid, accurate, and secure access to archived data, which can help dealerships reduce storage costs and increase information security. Kodata helps dealership eliminate the need to store and retrieve reams of journals, schedules, general ledgers, and reports every month. Critical data are stored on a CD or can be easily viewed on a Web site.

Making Business Better: Business Forms and Supplies

Just because technology has become more prevalent throughout dealerships doesn't mean that dealership forms, promotional products, and business supplies will go away. In fact, these items are an essential way to brand the dealership, reduce compliance risk, improve operational efficiencies, and streamline procurement processes. Reynolds provides document solutions and retailing supplies to nearly 18,000 dealerships across North America.

LAW[®] Contracts

Reynolds LAW[®] 553 universal retail sales contracts can be used by all funding sources – prime and non-prime banks, finance companies, captive lenders, and credit unions – making the F&I process faster and easier for dealerships and consumers.

Managing Relationships

Reynolds document solutions help dealers turn today's leads into tomorrow's lifetime customers. Dealers can select the solutions that meet their needs, including direct customer materials, one-to-one marketing solutions, in-vehicle merchandising, or personalized home mailings. Whether used with Reynolds software applications or separately, these document solutions help dealerships build stronger relationships with consumers throughout their vehicle ownership cycle.

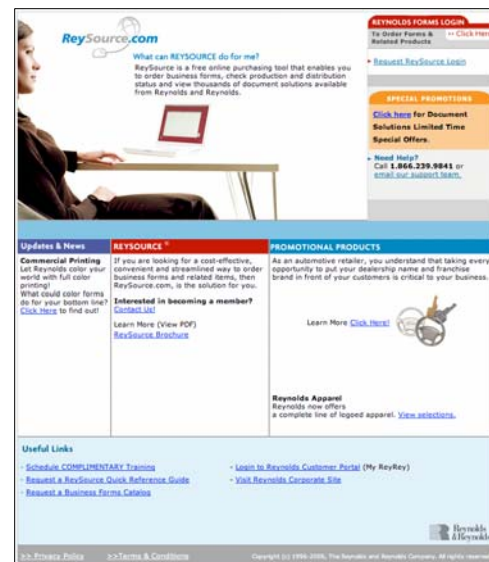
Dealership Branding

Reynolds can supply a wide array of promotional products to help dealers maintain their competitive edge in the marketplace by building and strengthening their dealership image in the minds of consumers. These products include apparel, key chains, license plate frames and inserts, and much more. Additionally, Reynolds offers custom artwork and full color marketing print services to help dealers capture customers' attention, enhance productivity, improve communication, and increase sales.

ReySource[®] Procurement Site

ReySource is the online Web portal that enables Reynolds customers to place and track their form and supply orders across multiple suppliers from a single "catalog" and through a single shopping cart.

From ReySource, dealerships also can access detailed account history for previous forms and supply orders and check the status of current orders.



ReySource Procurement Portal from Reynolds

Global Presence: U.K. and Europe

Reynolds serves dealerships in the United Kingdom (U.K.) through Kalamazoo-Reynolds, based in Birmingham, England. Reynolds Europe serves dealerships across the continent.

Kalamazoo-Reynolds

Originally founded in 1896, Kalamazoo-Reynolds has been at the forefront of the U.K. computer industry since the 1960s. The company's automotive solutions include the POWER and Automate dealership management systems.

The POWER system has been modified from the U.S. version to meet the specific needs of dealerships in the U.K. The system retains its core strengths – integration, efficiency, and control – for all dealership departments.

In 2008, Kalamazoo-Reynolds acquired MMI Automotive and added the Automate DMS to its portfolio. Automate is a real-time Windows®-based system with core software modules that include marketing and customer relationship management, accounts, vehicle and parts sales, stock management, and service management.

In addition, the Kalamazoo-Reynolds IT Services division provides hardware support services for a number of different types of businesses in the U.K. Offerings include desktop and printer support, data storage, and business continuity solutions.



Reynolds Europe

Reynolds Europe brings together a number of operating units and different dealership management systems to serve automotive retailers across the European continent.

Reynolds has built favorable relationships with a number of auto manufacturers and dealer councils in Europe, who exert a stronger influence on their dealerships than their U.S. counterparts. This has helped the company operate successfully in a number of European countries.

In 2006, Reynolds acquired DCS Automotive who serves dealers in Switzerland, France, and Germany.

In 2008, Reynolds Europe acquired Bogaarts Automation, a well-respected DMS provider in the Belgium, The Netherlands, and Luxembourg region. Bogaarts' Windows-based DMS has been endorsed by more than a half-dozen manufacturers.

Media Contact:
Tom Schwartz
937.485.8109