

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported):
April 13, 2004

Asbury Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

5511

(Commission File Number)

01-0609375

(IRS Employer Identification No.)

622 Third Avenue, 37th Floor

(Address of principal executive offices)

10017

(Zip Code)

(212) 885-2500

(Registrant's telephone number, including area code)

None

(Former name or former address, if changed since last report)

Item 5. Other Events and Regulation FD Disclosure

The registrant hereby files the press release identified under Item 12, and attached hereto as Exhibit 99.1.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Description
99.1	Press Release dated April 13, 2004.

Item 12. Results of Operations and Financial Condition.

The registrant issued a press release on April 13, 2004, announcing its financial results for the quarter ended March 31, 2004, which press release is attached hereto as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASBURY AUTOMOTIVE GROUP, INC.

Date: April 13, 2004

By: /s/ Kenneth B. Gilman

Name: Kenneth B. Gilman

Title: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated April 13, 2004

Investors May Contact:
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Asbury Automotive Group Reports First Quarter Financial Results

-- Reports a 30% Increase in Net Income from Continuing Operations --

-- Total Revenues Rise 14%; Gross Profit Increases 12% --

New York, NY, April 13, 2004 - Asbury Automotive Group, Inc. (NYSE: ABG), one of the largest automotive retail and service companies in the U.S., today reported financial results for the quarter ended March 31, 2004.

Net income from continuing operations increased 30 percent to \$10.7 million, or \$0.33 per share, compared with \$8.2 million, or \$0.25 per share, for the first quarter of 2003. Net income increased 46 percent for the first quarter of 2004 to \$10.4 million, or \$0.32 per share, up from \$7.1 million, or \$0.21 per share, in the prior year period.

Other financial highlights for the first quarter of 2004, as compared to the prior year period, included:

- o Total revenues for the quarter were approximately \$1.2 billion, up 14.5 percent. Total gross profit was \$191.0 million, up 12.1 percent.
- o Same-store retail revenue (excluding fleet and wholesale business) increased 3.8 percent to \$1.0 billion, while same-store retail gross profit rose 2.8 percent to \$174.4 million.
- o New vehicle retail revenue increased 16.2 percent (5.9 percent same-store), and unit sales increased 9.7 percent (flat on a same-store basis). New vehicle retail gross profit increased 14.7 percent (2.5 percent same-store).
- o Used vehicle retail revenue increased 6.9 percent (down 3.3 percent same-store), and unit sales increased 7.0 percent (down 1.4 percent same-store).
- o Parts, service and collision repair revenues and gross profit increased 15.7 percent and 13.6 percent (5.3 and 3.5 percent same-store), respectively.
- o Net finance and insurance (F&I) revenue rose 15.1 percent (7.7 percent same-store). F&I per vehicle retailed (PVR) increased 6.1 percent to \$837, and at the platform level rose 3.4 percent to \$816.
- o Selling, general and administrative (SG&A) expenses for the quarter, which include \$1.2 million of expenses associated with management changes made in the previous year, were flat as a percentage of gross profit.
- o The Company's effective tax rate for the quarter was 37.5 percent compared to 39.8 percent in the prior year period.

President and CEO Kenneth B. Gilman commented, "We are pleased to have exceeded earnings expectations for the first quarter. While January was somewhat difficult, our continued focus on the basics of automotive retailing in each element of our business model produced improving trends in February and March, leading to record first quarter sales and gross profit results."

Mr. Gilman continued, "More specifically, we were particularly pleased with the sales and gross profit trends in our used car business. Despite a continued challenging environment, our results are beginning to reflect the Company's intensified focus on used vehicles, as our used car teams at the platform level have become increasingly effective."

"At the platform level, a key highlight during the quarter was a significant improvement in results at both our Arkansas and Oregon platforms," Mr. Gilman noted. "In Arkansas, operating income for the first quarter was more than double the prior year, with same-store unit sales increases well into the double digits for both new and used vehicles. As for Oregon, with the new management team's recovery plan in place, we are beginning to see increased revenues, particularly in used vehicles, and also reported an operating profit for the quarter. Significant progress has been made in adjusting the platform's cost structure, as we were able to reduce Oregon's SG&A expenses as a percentage of gross profit by over 200 basis points, when compared to the prior year quarter."

Mr. Gilman added, "With the exception of Texas, where our results were somewhat below expectations, the majority of our platforms were essentially in-line with anticipated results for the quarter. The results in our Texas platform were adversely impacted by a competitive local Honda market, dealership construction, as well as the continued adjustment to recent management changes made in last year's second half."

The Company noted that in the first quarter of 2004 it had completed the acquisition of three franchises, representing \$170 million in annualized revenues. In addition, the Company noted that it had executed contracts to acquire four additional franchises with annual revenues of approximately \$210 million. These pending transactions are subject in all cases to manufacturer consent.

Asbury Automotive Group, Inc., headquartered in New York City, is one of the largest automobile retailers in the U.S., with 2003 revenues of \$4.8 billion. Built through a combination of organic growth and a series of strategic acquisitions, Asbury now operates through nine geographically concentrated, individually branded "platforms." These platforms currently operate 100 retail auto stores, encompassing 140 franchises for the sale and servicing of 35 different brands of American, European and Asian automobiles. Asbury believes that its product mix contains a higher proportion of the more desirable luxury and mid-line import brands than most public automotive retailers. The Company offers customers an extensive range of automotive products and services, including new and used vehicle sales and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts.

Forward Looking Statements

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements relating to goals, plans, projections and guidance regarding the Company's financial position, results of operations, market position, product development, pending and potential future acquisitions and business strategy. These statements are based on management's current expectations and involve significant risks and uncertainties that may cause results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, market factors, the Company's relationships with vehicle manufacturers and other suppliers which could cause, among other things, acquisitions under contract or letters of intent to fail, risks associated with the Company's substantial indebtedness, risks related to pending and potential future acquisitions, general economic conditions both nationally and locally and governmental regulations and legislation. There can be no guarantees that the Company's plans for future operations will be successfully implemented or that they will prove to be commercially successful. These and other risk factors are discussed in the Company's annual report on Form 10-K and in its other filings with the Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended	
	March 31, 2004	March 31, 2003
	-----	-----
REVENUES:		
New vehicle	\$ 725,278	\$ 625,035
Used vehicle	317,411	287,228
Parts, service and collision repair	147,345	127,379
Finance and insurance, net	33,194	28,830
	-----	-----
Total revenues	1,223,228	1,068,472
COST OF SALES:		
New vehicle	671,822	578,198
Used vehicle	289,277	259,650
Parts, service and collision repair	71,088	60,224
	-----	-----
Total cost of sales	1,032,187	898,072
GROSS PROFIT	191,041	170,400
OPERATING EXPENSES:		
Selling, general and administrative	153,579	136,987
Depreciation and amortization	5,139	4,739
	-----	-----
Income from operations	32,323	28,674
	-----	-----
OTHER INCOME (EXPENSE):		
Floor plan interest expense	(4,989)	(4,418)
Other interest expense	(10,322)	(9,954)
Interest income	275	180
Other income (expense)	(204)	(840)
	-----	-----
Total other expense, net	(15,240)	(15,032)
	-----	-----
Income from continuing operations before income taxes and discontinued operations	17,083	13,642
INCOME TAX EXPENSE	6,406	5,430
	-----	-----
Net income from continuing operations	10,677	8,212
DISCONTINUED OPERATIONS, net of tax	(313)	(1,115)

Net income	\$ 10,364	\$ 7,097
	=====	=====
BASIC EARNINGS PER COMMON SHARE:		
Continuing operations	\$ 0.33	\$ 0.25
Discontinued operations	(0.01)	(0.04)
	-----	-----
Net income	\$ 0.32	\$ 0.21
	=====	=====
DILUTED EARNINGS PER COMMON SHARE:		
Continuing operations	\$ 0.33	\$ 0.25
Discontinued operations	(0.01)	(0.04)
	-----	-----
Net income	\$ 0.32	\$ 0.21
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	32,435	33,052
	=====	=====
Diluted	32,721	33,053
	=====	=====

ASBURY AUTOMOTIVE GROUP, INC.
 SELECTED DATA
 (In thousands, except vehicle and per vehicle data)
 (Unaudited)

	As Reported For the Three Months Ended March 31,				Same Store For the Three Months Ended March 31,			
	2004		2003		2004		2003	
RETAIL VEHICLES SOLD:								
New units	23,869	60.2%	21,767	59.6%	21,796	60.0%	21,767	59.6%
Used units	15,782	39.8%	14,750	40.4%	14,540	40.0%	14,750	40.4%
Total units	39,651	100.0%	36,517	100.0%	36,336	100.0%	36,517	100.0%
REVENUE:								
New retail	\$ 710,411	58.1%	\$ 611,600	57.2%	\$ 647,696	58.1%	\$ 611,600	57.2%
Used retail	239,130	19.6%	223,638	20.9%	216,357	19.4%	223,638	20.9%
Parts, service and collision repair	147,345	12.0%	127,379	11.9%	134,105	12.0%	127,379	11.9%
Finance and insurance, net	33,194	2.7%	28,830	2.7%	31,037	2.8%	28,830	2.7%
Total retail revenue	1,130,080		991,447		1,029,195		991,447	
Fleet	14,867	1.2%	13,435	1.3%	14,867	1.3%	13,435	1.3%
Wholesale	78,281	6.4%	63,590	6.0%	71,213	6.4%	63,590	6.0%
Total revenue	\$ 1,223,228	100.0%	\$ 1,068,472	100.0%	\$ 1,115,275	100.0%	\$ 1,068,472	100.0%
GROSS PROFIT:								
New retail	\$ 47,245	24.7%	\$ 41,185	24.2%	\$ 42,204	24.2%	\$ 41,185	24.2%
Used retail	28,641	15.0%	27,292	16.0%	26,160	15.0%	27,292	16.0%
Parts, service and collision repair	76,257	39.9%	67,155	39.4%	69,482	39.9%	67,155	39.4%
Finance and insurance, net	33,194	17.4%	28,830	16.9%	31,037	17.8%	28,830	16.9%
Floor plan interest credits	5,837	3.1%	5,300	3.1%	5,559	3.2%	5,300	3.1%
Total retail gross profit ...	191,174		169,762		174,442		169,762	
Fleet	374	0.2%	352	0.2%	374	0.2%	352	0.2%
Wholesale	(507)	(0.3%)	286	0.2%	(442)	(0.3%)	286	0.2%
Total gross profit	\$ 191,041	100.0%	\$ 170,400	100.0%	\$ 174,374	100.0%	\$ 170,400	100.0%
Sales, general and administrative (SG&A) expense								
SG&A as a percent of gross profit	80.4%		80.4%		80.7%		80.4%	
GROSS PROFIT PER VEHICLE RETAILED:								
New retail (including floor plan .. interest credits)	\$ 2,224		\$ 2,136		\$ 2,191		\$ 2,136	
Used retail	1,815		1,850		1,799		1,850	
Finance and insurance, net	837		789		854		789	
Platform finance and insurance, net	816		789		831		789	

	As of March 31, 2004	As of December 31, 2003
BALANCE SHEET HIGHLIGHTS:		
Cash and cash equivalents	\$ 45,986	\$ 106,711
Inventories	707,513	650,397
Total current assets	1,068,956	1,041,542
Floor plan notes payable	625,153	602,167
Total current liabilities	836,585	781,758
CAPITALIZATION:		
Long-term debt (including current portion).....	591,939	592,378
Shareholders' equity.....	442,860	433,707
Total	\$1,034,799	\$1,026,085

ASBURY AUTOMOTIVE GROUP, INC.
SUPPLEMENTAL DISCLOSURES REGARDING NON-GAAP FINANCIAL INFORMATION
(In thousands, except vehicle data)
(Unaudited)

We evaluate our finance and insurance gross profit performance on a per vehicle retailed basis by dividing our total finance and insurance gross profit by the number of retail vehicles sold. During 2003, we renegotiated a contract with one of our third party finance and insurance product providers, which resulted in the recognition of income that was not attributable to retail vehicles sold during the year. We believe that platform finance and insurance, which excludes the additional revenue derived from contracts negotiated by our corporate office, provides a more accurate measure of our finance and insurance operating performance. The following table reconciles finance and insurance gross profit to platform finance and insurance gross profit, and provides necessary components to calculate platform finance and insurance gross profit per vehicle retailed.

	As Reported For the Three Months Ended March 31,		Same Store For the Three Months Ended March 31,	
	2004	2003	2004	2003
RECONCILIATION OF FINANCE AND INSURANCE GROSS PROFIT TO PLATFORM FINANCE AND INSURANCE:				
Finance and insurance, net	\$ 33,194	\$ 28,830	\$ 31,037	\$ 28,830
Less: corporate finance and insurance	(839)	--	(839)	--
Platform finance and insurance, net	<u>\$ 32,355</u>	<u>\$ 28,830</u>	<u>\$ 30,198</u>	<u>\$ 28,830</u>
RETAIL VEHICLES SOLD:				
New retail units	23,869	21,767	21,796	21,767
Used retail units	15,782	14,750	14,540	14,750
Total units	<u>39,651</u>	<u>36,517</u>	<u>36,336</u>	<u>36,517</u>

We define adjusted EBITDA as net income before other interest expense, income tax expense and depreciation and amortization expense. This definition of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States. We believe adjusted EBITDA provides a basis to measure our operating performance, apart from the expenses associated with our physical plant or capital structure. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, cash flow from operating activities or other measures of performance defined by accounting principles generally accepted in the United States. A reconciliation of adjusted EBITDA is presented below.

	As Reported For the Three Months Ended March 31,	
	2004	2003
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA:		
Net income	\$10,364	\$ 7,097
Add:		
Other interest expense	10,322	9,954
Income tax expense	6,406	5,430
Depreciation and amortization	5,139	4,739
Adjusted EBITDA	<u>\$32,231</u>	<u>\$27,220</u>