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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 March 31, 2010

OR

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

For the transition period from to

Commission file number: 001-31262

ASBURY AUTOMOTIVE GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**01-0609375**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2905 Premiere Parkway NW, Suite 300 Duluth, Georgia	**30097**
(Address of principal executive offices)	**(Zip Code)**

(770) 418-8200
(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of April 28, 2010 was 32,727,856 (net of 4,776,930 treasury shares).

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	March 31, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 29.4	$ 84.7
Contracts-in-transit	69.4	61.8
Accounts receivable (net of allowance of $1.7 and $0.8, respectively)	89.8	79.0
Inventories	498.3	499.7
Deferred income taxes	7.9	8.6
Assets held for sale	28.4	30.3
Other current assets	55.0	51.5
Total current assets	778.2	815.6
PROPERTY AND EQUIPMENT, net	440.9	449.1
DEFERRED INCOME TAXES, net of current portion	77.4	84.4
OTHER LONG-TERM ASSETS	50.1	51.8
Total assets	$1,346.6	$ 1,400.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade	$ 325.2	$ 357.7
Floor plan notes payable—non-trade	59.5	77.0
Current maturities of long-term debt	9.0	9.0
Accounts payable and accrued liabilities	139.3	148.2
Liabilities associated with assets held for sale	1.5	6.9
Total current liabilities	534.5	598.8
LONG-TERM DEBT	527.3	528.8
OTHER LONG-TERM LIABILITIES	32.3	29.7
COMMITMENTS AND CONTINGENCIES (Note 11)		
SHAREHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $.01 par value, 90,000,000 shares authorized; 37,500,929 and 37,200,557 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid-in capital	459.4	457.3
Accumulated deficit	(126.4)	(133.8)
Treasury stock, at cost; 4,776,930 and 4,770,224 shares, respectively	(74.7)	(74.6)
Accumulated other comprehensive loss	(6.2)	(5.7)
Total shareholders' equity	252.5	243.6
Total liabilities and shareholders' equity	$1,346.6	$ 1,400.9

See accompanying Notes to Condensed Consolidated Financial Statements

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

	For the Three Months Ended March 31,	
	2010	2009
REVENUES:		
New vehicle	$ 528.8	$ 432.6
Used vehicle	252.4	208.2
Parts and service	152.8	158.8
Finance and insurance, net	26.0	20.5
Total revenues	960.0	820.1
COST OF SALES:		
New vehicle	493.0	405.4
Used vehicle	229.8	188.5
Parts and service	74.3	80.8
Total cost of sales	797.1	674.7
GROSS PROFIT	162.9	145.4
OPERATING EXPENSES:		
Selling, general and administrative	129.1	120.7
Depreciation and amortization	5.7	5.9
Other operating income, net	(0.4)	(0.4)
Income from operations	28.5	19.2
OTHER EXPENSE:		
Floor plan interest expense	(4.1)	(4.9)
Other interest expense	(9.5)	(9.8)
Convertible debt discount amortization	(0.4)	(0.5)
Total other expense, net	(14.0)	(15.2)
Income before income taxes	14.5	4.0
INCOME TAX EXPENSE	5.6	1.4
INCOME FROM CONTINUING OPERATIONS	8.9	2.6
DISCONTINUED OPERATIONS, net of tax	(1.5)	(2.3)
NET INCOME	$ 7.4	$ 0.3
EARNINGS PER COMMON SHARE:		
Basic—		
Continuing operations	$ 0.28	$ 0.08
Discontinued operations	(0.05)	(0.07)
Net income	$ 0.23	$ 0.01
Diluted—		
Continuing operations	$ 0.27	$ 0.08
Discontinued operations	(0.05)	(0.07)
Net income	$ 0.22	$ 0.01
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	32.2	32.1
Stock options	0.7	—
Restricted stock	0.2	0.2
Performance share units	0.1	0.1
Restricted share units	0.1	—
Diluted	33.3	32.4

See accompanying Notes to Condensed Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	For the Three Months Ended March 31,	
	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 7.4	$ 0.3
Adjustments to reconcile net income to net cash (used in) provided by operating activities—		
Depreciation and amortization	5.7	5.9
Stock-based compensation	1.9	1.5
Deferred income taxes	8.1	0.1
Loaner vehicle amortization	1.6	2.2
Other adjustments, net	3.9	1.1
Changes in operating assets and liabilities, net of acquisitions and divestitures—		
Contracts-in-transit	(7.6)	9.7
Accounts receivable	(17.5)	0.7
Proceeds from the sale of accounts receivable	5.8	5.4
Inventories	7.5	106.6
Other current assets	(12.9)	(11.1)
Floor plan notes payable—trade	(32.0)	(65.0)
Floor plan notes payable—trade divestitures	(5.9)	—
Accounts payable and accrued liabilities	(9.2)	(16.3)
Other long-term assets and liabilities, net	1.5	1.0
Net cash (used in) provided by operating activities	(41.7)	42.1
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(3.4)	(2.2)
Proceeds from the sale of assets	9.6	3.2
Other investing activities	(0.2)	(0.4)
Net cash provided by investing activities	6.0	0.6
CASH FLOW FROM FINANCING ACTIVITIES:		
Floor plan borrowings—non-trade	90.2	61.5
Floor plan repayments—non-trade	(107.6)	(103.3)
Floor plan repayments—non-trade divestitures	—	(2.9)
Proceeds from borrowings	—	0.9
Repayments of borrowings	(2.2)	(54.7)
Purchases of treasury stock associated with net share settlement of employee share-based awards	(0.1)	(0.1)
Proceeds from the exercise of stock options	0.1	—
Net cash used in financing activities	(19.6)	(98.6)
Net decrease in cash and cash equivalents	(55.3)	(55.9)
CASH AND CASH EQUIVALENTS, beginning of year	84.7	91.6
CASH AND CASH EQUIVALENTS, end of year	$ 29.4	$ 35.7

See Note 10 for supplemental cash flow information

See accompanying Notes to Condensed Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS

We are one of the largest automotive retailers in the United States, operating 107 franchises (80 dealership locations) in 20 metropolitan markets within 11 states as of March 31, 2010. We offer an extensive range of automotive products and services, including new and used vehicles; vehicle maintenance, replacement parts and collision repair services; and financing, insurance and service contracts. As of March 31, 2010, we offered 38 domestic and foreign brands of new vehicles, including 7 heavy truck brands. Our current brand mix is weighted 85% towards luxury and mid-line import brands, with the remaining 15% consisting of domestic and value brands. We also operate 25 collision repair centers that serve customers in our local markets.

Our retail network is made up of the following locally-branded dealership groups:

- Coggin dealerships, operating primarily in the Florida markets of Jacksonville, Fort Pierce and Orlando;
- Courtesy dealerships operating in Tampa, Florida;
- Crown dealerships operating in New Jersey, North Carolina, South Carolina and Virginia;
- Nalley dealerships operating in Georgia;
- McDavid dealerships operating in Texas;
- North Point dealerships operating in Arkansas;
- Plaza dealerships operating in Missouri; and
- Gray-Daniels dealerships operating in Mississippi.

In addition to the dealership groups listed above, we also operated one luxury brand dealership in California as of March 31, 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and reflect the consolidated accounts of Asbury Automotive Group, Inc. and our wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ materially from these estimates. Estimates and assumptions are reviewed quarterly and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying condensed consolidated financial statements include, but are not limited to, estimates for inventory valuation reserves, reserves for chargebacks against revenue recognized from the sale of finance and insurance products, certain assumptions related to intangible and long-lived assets, reserves for insurance programs, reserves for certain legal proceedings, realization of deferred tax assets and reserves for estimated tax liabilities.

In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for a fair presentation of the unaudited interim condensed consolidated financial statements as of March 31, 2010, and for the three months ended March 31, 2010 and 2009, have been included. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for a full year period. Our interim unaudited condensed consolidated financial statements should be read together with our consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2009.

Contracts-In-Transit

Contracts-in-transit represent receivables from third-party finance companies for the portion of the vehicle purchase price from new and used vehicle sales financed by customers through sources arranged by us. Amounts due from contracts-in-transit are generally collected within the first two weeks following the sale of the related vehicles.

Revenue Recognition

Revenue from the sale of new and used vehicles (which excludes sales tax) is recognized upon delivery, passage of title, signing of the sales contract and approval of financing. Revenue from the sale of parts, service and collision repair work (which excludes sales tax) is recognized upon delivery of parts to the customer or at the time vehicle service or repair work is completed. Manufacturer

incentives and rebates, including manufacturer holdbacks, floor plan interest assistance and certain advertising assistance, are recognized as a component of new vehicle cost of sales when earned, generally at the time the related vehicles are sold.

We receive commissions from third-party lending and insurance institutions for arranging customer financing and for the sale of vehicle service contracts, credit life insurance and disability insurance to customers, and other insurance offerings (collectively "F&I"). We may be charged back ("chargebacks") for F&I commissions in the event a contract is prepaid, in default or terminated. F&I commissions are recorded at the time a vehicle is sold and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. F&I commissions, net of estimated chargebacks, are included in Finance and Insurance, net in the accompanying Condensed Consolidated Statements of Income.

Earnings per Common Share

Basic earnings per share is computed for all periods presented by dividing net income by our weighted-average common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average common shares and common share equivalents outstanding during the period. There were no adjustments to the numerator necessary to compute diluted earnings per share. We have issued warrants that, upon exercise, may result in the issuance of between 2.4 million and 4.9 million shares of our common stock at an exercise price of $44.74 per share. Since the warrants are required to be settled in shares of common stock, the premium received for selling the warrants was recorded as an increase to additional paid in capital, together with any cash received upon exercise. In addition, our 3% Senior Subordinated Convertible Notes due 2012 (the "3% Notes") are convertible into our common stock at a current conversion rate equal to $33.73 per share. The shares issuable upon exercise of these warrants and conversion of our 3% Notes could potentially dilute basic earnings per share in the future; however, these shares were not included in the computation of diluted earnings per share because their inclusion would be anti-dilutive.

Discontinued Operations

Certain amounts reflected in the accompanying Condensed Consolidated Balance Sheets have been classified as Assets Held for Sale or Liabilities Associated with Assets Held for Sale, to the extent that they were held for sale, or associated with assets held for sale, at each balance sheet date. Amounts in the accompanying Condensed Consolidated Statements of Income for the three months ended March 31, 2009, have been reclassified to reflect the results of franchises sold subsequent to March 31, 2009 or held for sale as of March 31, 2010, as if we had classified those franchises as discontinued operations for all periods presented.

We report franchises as discontinued operations when it is evident that the operations and cash flows of a franchise being actively marketed for sale will be eliminated from our on-going operations and that we will not have any significant continuing involvement in its operations. We do not classify franchises as discontinued operations if we believe that the cash flows generated by the franchise will be replaced by expanded operations of our remaining franchises within the respective local market area.

Statements of Cash Flows

Borrowings and repayments of floor plan notes payable to a party unaffiliated with the manufacturer of a particular new vehicle ("Non-trade"), and all floor plan notes payable relating to pre-owned vehicles, are classified as financing activities on the accompanying Condensed Consolidated Statements of Cash Flows with borrowings reflected separately from repayments. The net change in floor plan notes payable to a lender affiliated with the manufacturer of a particular new vehicle ("Trade") is classified as an operating activity on the Condensed Consolidated Statements of Cash Flows.

Loaner vehicle activity accounts for a significant portion of Other Current Assets on the accompanying Condensed Consolidated Statements of Cash Flows. We acquire loaner vehicles either with available cash or through borrowings from manufacturer affiliated lenders. While loaner vehicles are initially used by our service department in our business, these vehicles are used in such capacity for a short period of time (typically six to twelve months) before we sell them. Therefore we classify the acquisition of loaner vehicles and the related borrowings and repayments as operating activities in the accompanying Condensed Consolidated Statements of Cash Flows. The cash outflow to acquire loaner vehicles is presented in Other Current Assets in the accompanying Condensed Consolidated Statements of Cash Flows. Borrowings and repayments of loaner vehicle notes payable are presented in Accounts Payable and Accrued Liabilities in the accompanying Condensed Consolidated Statements of Cash Flows. When loaner vehicles are taken out of loaner status, they are transferred to used vehicle inventory, which is reflected as a non-cash transfer in the accompanying Condensed Consolidated Statements of Cash Flows. The cash inflow from the sale of loaner vehicles is reflected in Inventories on the accompanying Condensed Consolidated Statements of Cash Flows.

3. ACQUISITIONS

We did not acquire any dealerships during the three months ended March 31, 2010 or 2009.

During the three months ended March 31, 2010, we were awarded two Sprinter franchises, which were added to our Mercedes-Benz locations in St. Louis, Missouri and Tampa, Florida. We did not pay any amounts in connection with being awarded these two franchises.

4. INVENTORIES

Inventories consist of the following:

	As of	
	March 31, 2010	December 31, 2009
	(In millions)	
New vehicles	$ 381.9	$ 394.2
Used vehicles	74.8	64.1
Parts and accessories	41.6	41.4
Total inventories	$ 498.3	$ 499.7

The lower of cost or market reserves reduced total inventory cost by $7.6 million and $7.4 million as of March 31, 2010 and December 31, 2009, respectively. In addition to the inventories shown above, we have $1.9 million and $7.0 million of inventory as of March 31, 2010 and December 31, 2009, classified as Assets Held for Sale on the accompanying Condensed Consolidated Balance Sheets as they are associated with franchises held for sale.

We received $4.1 million of interest credit assistance from certain automobile manufacturers during the three months ended March 31, 2010. Interest credit assistance reduced cost of sales (including amounts classified as discontinued operations) for the three months ended March 31, 2010, by $4.3 million and reduced new vehicle inventory by $3.5 million and $3.7 million as of March 31, 2010 and December 31, 2009, respectively.

5. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities classified as held for sale include (i) assets and liabilities associated with discontinued operations held for sale at each balance sheet date and (ii) real estate not currently used in our operations that we intend to sell and the related mortgage notes payable, if applicable.

Assets associated with pending dispositions as of March 31, 2010, totaled $5.2 million, which includes $3.3 million of property and equipment assets. Liabilities associated with pending dispositions totaled $1.5 million as of March 31, 2010. During the three months ended March 31, 2010, we sold one franchise (one dealership location), and as of March 31, 2010, there was one franchise (one dealership location) pending disposition. Assets associated with pending dispositions as of December 31, 2009, totaled $12.8 million, which includes $5.8 million of property and equipment assets. Liabilities associated with pending dispositions as of December 31, 2009, totaled $6.9 million.

Real estate not currently used in our operations that we are actively marketing to sell totaled $23.2 million and $17.5 million as of March 31, 2010 and December 31, 2009, respectively. There were no liabilities associated with our real estate assets held for sale as of March 31, 2010 and December 31, 2009, respectively.

A summary of assets held for sale and liabilities associated with assets held for sale is as follows:

	As of	
	March 31, 2010	December 31, 2009
	(In millions)	
Assets:		
Inventories	$ 1.9	$ 7.0
Property and equipment, net	26.5	23.3
Total assets	28.4	30.3
Liabilities:		
Floor plan notes payable	1.5	6.9
Total liabilities	1.5	6.9
Net assets held for sale	$ 26.9	$ 23.4

6. LONG-TERM DEBT

Long-term debt consists of the following:

	As of	
	March 31, 2010	December 31, 2009
	(In millions)	
8% Senior Subordinated Notes due 2014 ($179.4 million face value, net of hedging activity of $4.2 million and $4.5 million, respectively)	$ 175.2	$ 174.9
7.625% Senior Subordinated Notes due 2017	143.2	143.2
3% Senior Subordinated Convertible Notes due 2012 ($54.7 million face value, net of discounts of $4.5 million and $4.9 million, respectively)	50.2	49.8
Mortgage notes payable bearing interest at variable rates	167.7	169.9
	536.3	537.8
Less: current portion	(9.0)	(9.0)
Long-term debt	$ 527.3	$ 528.8

7. FINANCIAL INSTRUMENTS

Financial instruments consist primarily of cash, contracts-in-transit, accounts receivable, notes receivable, cash surrender value of corporate-owned life insurance policies, accounts payable, floor plan notes payable, long-term debt and interest rate swap agreements. The carrying amounts of our financial instruments, with the exception of our Senior Subordinated debt, approximate fair value due either to their short-term nature or existence of variable interest rates, which approximate market rates. The fair market value of our long-term debt is based on reported market prices. A summary of the carrying values and fair values of our 8% Notes, 7.625% Notes and our 3% Notes are as follows:

	As of	
	March 31, 2010	December 31, 2009
	(In millions)	
Carrying Value:		
8% Senior Subordinated Notes due 2014 ($179.4 million face value, net of hedging activity of $4.2 million and $4.5 million, respectively)	$ 175.2	$ 174.9
7.625% Senior Subordinated Notes due 2017	143.2	143.2
3% Senior Subordinated Convertible Notes due 2012 ($54.7 million face value, net of discounts of $4.5 million and $4.9 million, respectively)	50.2	49.8
Total carrying value	$ 368.6	$ 367.9
Fair Value:		
8% Senior Subordinated Notes due 2014	$ 178.1	$ 178.7
7.625% Senior Subordinated Notes due 2017	135.0	135.0
3% Senior Subordinated Convertible Notes due 2012	48.8	48.0
Total fair value	$ 361.9	$ 361.7

We have an interest rate swap with a current notional principal amount of $125.0 million. The swap was designed to provide a hedge against changes in interest rates on our variable rate floor plan notes payable through maturity in June 2013. This swap is collateralized by our assets that do not otherwise have a first priority lien. This interest rate swap qualifies for cash flow hedge accounting treatment and contains minor ineffectiveness.

We have a separate interest rate swap with a current notional principal amount of $12.1 million. The swap was designed to provide a hedge against changes in interest rates on our variable rate mortgage notes payable through maturity in June 2011. The notional value of this swap is reduced over its term. This interest rate swap qualifies for cash flow hedge accounting treatment and contains minor ineffectiveness.

Information about the effect of derivative instruments on the accompanying Condensed Consolidated Statement of Income for the three months ended March 31, 2010 (in millions):

Derivative in Cash Flow Hedging relationships	Effective Results Recognized in AOCI (Effective Portion)	Location of Results Reclassified from AOCI to Earnings	Amount Reclassified from AOCI to Earnings– Active Swaps	Amount Reclassified from AOCI to Earnings– Terminated Swaps	Ineffective Results Recognized in Earnings	Location of Ineffective Results
Interest rate swaps	$ (2.2)	Floor plan interest expense	$ (1.2)	$ —	$ —	NA
Interest rate swaps	$ (0.1)	Other interest expense	$ (0.1)	$ —	$ —	NA
Interest rate swaps	NA	Floor plan interest expense	NA	$ (0.1)	$ —	NA

Information about the effect of derivative instruments on the accompanying Condensed Consolidated Statement of Income for the three months ended March 31, 2009 (in millions):

Derivative in Cash Flow Hedging relationships	Effective Results Recognized in AOCI (Effective Portion)	Location of Results Reclassified from AOCI to Earnings	Amount Reclassified from AOCI to Earnings– Active Swaps	Amount Reclassified from AOCI to Earnings– Terminated Swaps	Ineffective Results Recognized in Earnings	Location of Ineffective Results
Interest rate swaps	$ (3.2)	Floor plan interest expense	$ (1.0)	$ —	$ —	Floor plan interest expense
Interest rate swaps	$ (0.1)	Other interest expense	$ (0.1)	$ —	$ —	Other interest expense
Interest rate swaps	NA	Floor plan interest expense	NA	$ (0.1)	$ —	Floor plan interest expense

On the basis of yield curve conditions as of March 31, 2010, we anticipate that the amount expected to be reclassified out of Accumulated Other Comprehensive Income (“AOCI”) into earnings in the next 12 calendar months will be a loss of $4.8 million. However, this anticipated $4.8 million loss relates to hedging activity that fixes the interest rates on only 25% of our variable rate debt, including floor plan notes payable and, therefore, if the current low interest rate environment continues, we believe we would experience a benefit from such interest rates on 75% of our variable rate debt.

Fair Values of Derivative Instruments on the accompanying Condensed Consolidated Balance Sheet as of March 31, 2010 (in millions):

	Asset Derivatives		Liability Derivatives	
Derivatives Designed as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Swaps	Other Long-Term Assets	N/A	Other Long-Term Liabilities	$ 9.1
Interest Rate Swaps	Other Current Assets	N/A	Accrued Liabilities	$ 0.3

Fair Values of Derivative Instruments on the accompanying Condensed Consolidated Balance Sheet as of December 31, 2009 (in millions):

	Asset Derivatives		Liability Derivatives	
Derivatives Designed as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Swaps	Other Long-Term Assets	N/A	Other Long-Term Liabilities	$ 8.1
Interest Rate Swaps	Other Current Assets	N/A	Accrued Liabilities	$ 0.3

Fair values are measured as the present value of all expected future cash flows based on the LIBOR-based swap yield curve as of the date of the valuation. The inputs to this calculation are deemed to be level 2 inputs. In discounting expected future cash flows under the swap, the company adjusted the LIBOR-based yield curve’s implied discount rates to reflect the credit quality of the party bearing the cash flow obligation to pay.

Market Risk Disclosures as of March 31, 2010:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Fixed Rate	Underlying Rate	Expiration	Fair Value
Interest Rate Swap	$ 125.0	4.0425%	1 month LIBOR	2013	$ (8.8)
Interest Rate Swap*	$ 12.1	6.0800%	1 month LIBOR plus 175 basis points	2011	$ (0.6)

Market Risk Disclosures as of December 31, 2009:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Fixed Rate	Underlying Rate	Expiration	Fair Value
Interest Rate Swap	$ 125.0	4.0425%	1 month LIBOR	2013	$ (7.8)
Interest Rate Swap*	$ 12.2	6.0800%	1 month LIBOR plus 175 basis points	2011	$ (0.6)

* This swap is amortizing. Immediately prior to maturity, its notional value will be $11.3 million.

8. COMPREHENSIVE INCOME (LOSS)

The following table provides a reconciliation of net income to comprehensive income:

	For the Three Months Ended March 31,	
	2010	2009
	(In millions)	
Net income	$ 7.4	$ 0.3
Other comprehensive income:		
Change in fair value of cash flow swaps	(1.0)	(2.3)
Amortization of expired cash flow swaps	0.1	0.1
Income tax benefit associated with cash flow swaps	0.4	1.0
Comprehensive income (loss)	$ 6.9	$ (0.9)

9. DISCONTINUED OPERATIONS AND DIVESTITURES

During the three months ended March 31, 2010, we sold one franchise (one dealership location), and as of March 31, 2010, there was one franchise (one dealership location) pending disposition. The accompanying Condensed Consolidated Statement of Income for the three months ended March 31, 2009, has been reclassified to reflect the status of our discontinued operations as of March 31, 2010.

The following table provides further information regarding our discontinued operations as of March 31, 2010 (in millions):

	For the Three Months Ended March 31, 2010			For the Three Months Ended March 31, 2009		
	Sold/ Closed	Pending Disposition	Total	Sold/ Closed(a)	Pending Disposition(b)	Total
Franchises:						
Mid-line domestic	—	—	—	7	—	7
Mid-line import	1	—	1	2	—	2
Luxury	—	1	1	2	1	3
Total	1	1	2	11	1	12
Revenues	$ 8.7	$ 4.1	$12.8	$ 51.6	$ 3.8	$55.4
Cost of sales	7.3	3.4	10.7	42.1	3.3	45.4
Gross profit	1.4	0.7	2.1	9.5	0.5	10.0
Operating expenses	3.8	0.5	4.3	12.7	0.5	13.2
(Loss) income from operations	(2.4)	0.2	(2.2)	(3.2)	—	(3.2)
Other expense, net	—	—	—	(0.7)	—	(0.7)
(Loss) gain on disposition	(0.2)	—	(0.2)	0.1	—	0.1
(Loss) income before income taxes	(2.6)	0.2	(2.4)	(3.8)	—	(3.8)
Income tax benefit (expense)	1.0	(0.1)	0.9	1.5	—	1.5
Discontinued operations, net of tax	$ (1.6)	$ 0.1	$ (1.5)	$ (2.3)	$ —	$ (2.3)

(a) Franchises were sold or closed between January 1, 2009 and March 31, 2010
(b) Franchises were pending disposition as of March 31, 2010

10. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended March 31, 2010 and 2009, we made interest payments, net of amounts capitalized, totaling $19.6 million and $21.8 million, respectively.

During the three months ended March 31, 2010, we did not make any income tax payments or receive any income tax refunds. During the three months ended March 31, 2009, we made income tax payments totaling $0.5 million.

During the three months ended March 31, 2010 and 2009, we sold $5.9 and $5.5 million, respectively, of trade receivables, each at a total discount of $0.1 million.

11. COMMITMENTS AND CONTINGENCIES

A significant portion of our business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States of America. As a result, our operations are subject to customary risks of importing merchandise, including fluctuations in the relative values of currencies, import duties, exchange controls, trade restrictions, work stoppages and general political and socio-economic conditions in foreign countries. The United States of America or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions, or adjust presently prevailing quotas, duties or tariffs, which may affect our operations and our ability to purchase imported vehicles and/or parts at reasonable prices.

In some instances, manufacturers may have the right, and may direct us to implement costly capital improvements to dealerships as a condition upon entering into franchise agreements with them. Manufacturers also typically require that their franchises meet specific standards of appearance. These factors, either alone or in combination, could cause us to divert our financial resources to capital projects from uses that management believes may be of higher long-term value.

Our dealerships are party to dealer and framework agreements with the applicable vehicle manufacturer. In accordance with these agreements, each dealership is subject to certain rights and restrictions typical of the industry. The ability of the manufacturers to influence the operations of the dealerships or the loss of any of these agreements could have a negative impact on our operating results.

Substantially all of our facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor do we expect such compliance to have, any material effect upon our capital expenditures, net earnings, financial condition, liquidity or competitive position. We believe that our current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements. No assurances can be provided, however, that future laws or regulations, or changes in existing laws or regulations, would not require us to expend significant resources in order to comply therewith.

From time to time, we and our dealerships are involved, and expect to continue to be involved, in litigation, including class actions, involving the manufacture and sale of motor vehicles, including but not limited to the charging of administrative, service, processing or document preparation fees, employment-related claims, truth-in-lending practices, the operation of dealerships, contractual disputes, actions brought by governmental authorities and other matters arising in the ordinary course of our business. With respect to certain of the existing claims, the previous owners of certain dealerships we have acquired have agreed to indemnify us against any losses we may incur. We do not believe that the ultimate resolution of any known matters will have a material adverse effect on our financial condition, liquidity, results of operations or financial statement disclosures. However, the outcome of these matters cannot be predicted with certainty, and unfavorable resolution of one or more of these matters presently known or arising in the future could have a material adverse effect on our financial condition, liquidity, results of operations or financial statement disclosures.

In connection with the purchase of one franchise in the third quarter of 2007, we may be required to pay additional consideration to the seller if the franchise achieves specified net income levels in future periods. If payable, the additional consideration would be distributable annually through January 1, 2015, and the additional consideration could total up to approximately $2.5 million. The seller did not become our employee subsequent to the transaction and therefore this consideration is not contingent on employment. As of March 31, 2010 we have paid less than $0.1 million of additional consideration in connection with this dealership acquisition.

We have $12.0 million of letters of credit outstanding as of March 31, 2010, which are required by certain of our insurance providers. In addition, as of March 31, 2010, we maintain a $5.0 million surety bond line which we use in our ordinary course of business.

Other material commitments include (i) floor plan notes payable, (ii) operating leases, (iii) long-term debt, (iv) interest on long-term debt, (v) deferred compensation obligations and (vi) employee compensation obligations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENT SAFE HARBOR

Certain of the discussions and information included in this report may constitute "forward-looking statements" within the meaning of the federal securities laws. Such statements can generally be identified by words such as "may," "target," "could," "would," "will," "should," "believe," "expect," "anticipate," "plan," "intend," "foresee" and other similar words or phrases. Forward-looking statements are statements that are not historical in nature and may include statements relating to our goals, plans and projections regarding industry and general economic trends, our expected financial position, results of operations or market position, our business strategy and the expectations and assumptions of our management with respect to, among other things:

- our ability to improve our margins and operating cash flows, and the availability of capital and liquidity;
- our estimated future capital expenditures;
- the economic recovery and its impact on our revenues and expenses;
- our parts and service revenue due to, among other things, manufacturer recalls, the decline in U.S. SAAR and changes in business strategy and government regulations;
- the variable nature of significant components of our cost structure and our advantageous brand mix;
- our ability to decrease our exposure to regional economic downturns due to our geographic diversity and advantageous brand mix;
- manufacturers' willingness to continue to use incentive programs to drive demand for their product offerings;
- our ability to implement our dealer management system in a cost-efficient manner;
- our acquisition and divestiture strategies;
- the continued availability of floor plan financing for inventory;
- the ability of consumers to secure vehicle financing;
- the continuation of industry-wide gains in market share of mid-line import brands, and industry-wide market share stability of luxury brands;
- our ability to mitigate any future negative trends in vehicle sales; and
- our ability to increase our net income as a result of the foregoing and other factors.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual future results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include:

- changes in general economic and business conditions, including changes in consumer confidence levels, interest rates, consumer credit availability, and employment levels;
- changes in laws and regulations governing the operation of automobile franchises, including trade restrictions, consumer protections, accounting standards, taxation requirements, and environmental laws;
- changes in the price of oil and gasoline;
- our ability to generate sufficient cash flows, maintain our liquidity and obtain additional funds for working capital, capital expenditures, acquisitions and other corporate purposes, if necessary;
- our continued ability to comply with any covenants in various of our financing and lease agreements, or to obtain waivers of these covenants as necessary;
- our relationships with, and the reputation and financial health and viability of vehicle manufacturers whose brands we sell, and their ability to design, manufacture, deliver and market their vehicles successfully;
- our relationship with, and the financial stability of, our lenders and lessors;
- our ability to capitalize on our restructuring programs and other strategies;
- high levels of competition in our industry, which may create additional pricing pressures on our products and services;
- our ability to renew, and enter into new, framework and dealer agreements on terms acceptable to us;
- our ability to attract and retain key personnel;
- our ability to leverage gains from our dealership portfolio; and
- significant disruptions in the financial markets, which may impact our ability to access capital.

Many of these factors are beyond our ability to control or predict, and their ultimate impact could be material. Forward-looking statements also include, but are not limited to, those described under Item 1A entitled, "Risk Factors" in our Annual Report on Form

10-K for the year ended December 31, 2009, and in other filings made from time to time with the SEC by us. Forward-looking statements speak only as of the date they are made, and we assume no obligation to update any forward-looking statements.

OVERVIEW

We are one of the largest automotive retailers in the United States, operating 107 franchises (80 dealership locations) in 20 metropolitan markets within 11 states as of March 31, 2010. We offer an extensive range of automotive products and services, including new and used vehicles; vehicle maintenance, replacement parts and collision repair services; and financing, insurance and service contracts. As of March 31, 2010, we offered 38 domestic and foreign brands of new vehicles, including 7 heavy truck brands. Our current brand mix is weighted 85% towards luxury and mid-line import brands, with the remaining 15% consisting of domestic and value brands. We also operate 25 collision repair centers that serve customers in our local markets.

Our retail network is made up of the following locally-branded dealership groups:

- Coggin dealerships, operating primarily in the Florida markets of Jacksonville, Fort Pierce and Orlando;
- Courtesy dealerships operating in Tampa, Florida;
- Crown dealerships operating in New Jersey, North Carolina, South Carolina and Virginia;
- Nalley dealerships operating in Georgia;
- McDavid dealerships operating in Texas;
- North Point dealerships operating in Arkansas;
- Plaza dealerships operating in Missouri; and
- Gray-Daniels dealerships operating in Mississippi.

In addition to the dealership groups listed above, we also operated one luxury brand dealership in California as of March 31, 2010.

Our revenues are derived primarily from: (i) the sale of new vehicles to individual retail customers (“new light vehicle retail”) and commercial customers (“fleet”), and the sale of new heavy trucks (“heavy trucks”) (the terms “new light vehicle retail,” “fleet” and “heavy trucks” being collectively referred to as “new”); (ii) the sale of used vehicles to individual retail customers (“used retail”) and to other dealers at auction (“wholesale”) (the terms “used retail” and “wholesale” being collectively referred to as “used”); (iii) maintenance and collision repair services and the sale of automotive parts (collectively referred to as “parts and service”); and (iv) the arrangement of vehicle financing and the sale of a number of aftermarket products, such as insurance, warranty and service contracts (collectively referred to as “F&I”). We evaluate the results of our new and used vehicle sales based on unit volumes and gross profit per vehicle sold, our parts and service operations based on aggregate gross profit, and F&I based on dealership generated F&I gross profit per vehicle sold. We assess the organic growth of our revenue and gross profit by comparing the year-to-year results of stores that we have operated for at least twelve full months (“same store”).

Our organic growth is dependent upon the execution of our balanced automotive retailing and service business strategy, our strong brand mix and the production of attractive products by automotive manufacturers whose brands we sell. Our vehicle sales have historically fluctuated with local and national economic conditions, including consumer confidence, availability of consumer credit, fuel prices, product availability and unemployment. We believe that the impact on our business of any future negative trends in new vehicle sales will be partially mitigated by (i) the expected relative stability of our parts and service operations over the long-term, (ii) the variable nature of significant components of our cost structure and (iii) our advantageous brand mix. Historically, our brand mix has been less affected by market volatility than the U.S. automobile industry as a whole. However, the recent economic slowdown has resulted in reduced vehicle sales across all brands.

Our gross profit margin varies with our revenue mix. The sale of new vehicles generally results in lower gross profit margins than used vehicle sales and sales of parts and service. As a result, when used vehicle and parts and service revenue increases as a percentage of total revenue, we expect our overall gross profit margin to increase.

Selling, general and administrative (“SG&A”) expenses consist primarily of fixed and incentive-based compensation, advertising, rent, insurance, utilities and other customary operating expenses. A significant portion of our cost structure is variable (such as sales commissions), or controllable (such as advertising), generally allowing us to adapt to changes in the retail environment over the long-term. We evaluate commissions paid to salespeople as a percentage of retail vehicle gross profit and all other SG&A expenses in the aggregate as a percentage of total gross profit. We continue to focus on expense control, although such efforts may not keep pace with lower gross profit in the event that our sales volumes decline or margins come under pressure.

Our operating results are generally subject to changes in the economic environment as well as seasonal variations. We tend to generate more revenue and operating income in the second and third quarters than in the first and fourth quarters of the calendar year. Generally, the seasonal variations in our operations are caused by factors related to weather conditions, changes in manufacturer incentive programs, model changeovers and consumer buying patterns, among other things.

During 2009, the automotive retail market was impacted by weak economic conditions in the U.S. and globally, including turmoil in the credit markets, broad declines in the equity markets, reduced consumer confidence, rising unemployment and continued weakness in the housing market. The seasonally adjusted annual rate ("SAAR") of new vehicle sales in the U.S., which was over 16.0 million from 1999 to 2007, decreased to approximately 10.4 million in 2009. However, the automotive retail market began to show signs of improvement in the first quarter of 2010, as new vehicle SAAR improved to 11.0 million, as compared to 9.5 million in the first quarter of 2009.

We expect the U.S. automotive retail market will experience a modest recovery in 2010, as we believe that the majority of automotive manufacturers have stabilized production levels in response to the economic slowdown and will focus on using a combination of vehicle pricing and financing incentive programs to increase demand in 2010, although no assurance can be provided in this regard. Additionally, based on our historical results, we anticipate that mid-line import brands, which comprised approximately 48% of our light vehicle revenues in the first quarter of 2010, will continue to increase their share of the U.S. market, and that luxury brands, which comprised approximately 37% of our light vehicle revenues in the first quarter of 2010, will maintain a strong presence in the market.

We believe that our financial condition remains strong with total available liquidity of $203.7 million as of March 31, 2010, including cash and cash equivalents of $29.4 million and borrowing availability of $174.3 million under our various credit facilities. From time to time our total available liquidity is impacted by management's decision to use excess cash to repay floor plan notes payable prior to the sale of the related vehicle to maximize the return on our cash. Our available liquidity decreased by $39.5 million between December 31, 2009 and March 31, 2010, primarily as a result of increased floor plan repayment activity. In addition, we have no material long-term debt maturities until September 2012.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2010 Compared to the Three Months Ended March 31, 2009

	For the Three Months Ended March 31,			
	2010	2009	Increase (Decrease)	% Change
	(In millions, except per share data)			
REVENUES:				
New vehicle	$528.8	$432.6	$ 96.2	22%
Used vehicle	252.4	208.2	44.2	21%
Parts and service	152.8	158.8	(6.0)	(4)%
Finance and insurance, net	26.0	20.5	5.5	27%
Total revenues	960.0	820.1	139.9	17%
GROSS PROFIT:				
New vehicle	35.8	27.2	8.6	32%
Used vehicle	22.6	19.7	2.9	15%
Parts and service	78.5	78.0	0.5	1%
Finance and insurance, net	26.0	20.5	5.5	27%
Total gross profit	162.9	145.4	17.5	12%
OPERATING EXPENSES:				
Selling, general and administrative	129.1	120.7	8.4	7%
Depreciation and amortization	5.7	5.9	(0.2)	(3)%
Other operating income, net	(0.4)	(0.4)	—	—
Income from operations	28.5	19.2	9.3	48%
OTHER EXPENSE:				
Floor plan interest expense	(4.1)	(4.9)	(0.8)	(16)%
Other interest expense	(9.5)	(9.8)	(0.3)	(3)%
Convertible debt discount amortization	(0.4)	(0.5)	(0.1)	(20)%
Total other expense, net	(14.0)	(15.2)	(1.2)	(8)%
Income before income taxes	14.5	4.0	10.5	NM
INCOME TAX EXPENSE	5.6	1.4	4.2	NM
INCOME FROM CONTINUING OPERATIONS	8.9	2.6	6.3	NM
DISCONTINUED OPERATIONS, net of tax	(1.5)	(2.3)	0.8	35%
NET INCOME	$ 7.4	$ 0.3	$ 7.1	NM
Income from continuing operations per common share—Diluted	$ 0.27	$ 0.08	$ 0.19	NM
Net income per common share—Diluted	$ 0.22	$ 0.01	$ 0.21	NM

	For the Three Months Ended March 31,	
	2010	2009
REVENUE MIX PERCENTAGES:		
New light vehicles	50.1%	48.3%
New heavy trucks	5.0%	4.5%
Used retail light vehicles	21.3%	20.6%
Used retail heavy trucks	0.2%	0.2%
Used light vehicle wholesale	4.7%	4.4%
Used heavy truck wholesale	0.1%	0.1%
Parts and service—light vehicle	14.2%	17.5%
Parts and service—heavy truck	1.7%	1.9%
Finance and insurance, net—light vehicle	2.7%	2.5%
Total revenue	100.0%	100.0%
GROSS PROFIT MIX PERCENTAGES:		
New light vehicles	20.9%	17.6%
New heavy trucks	1.0%	1.1%
Used retail light vehicles	14.0%	13.4%
Used retail heavy trucks	— %	(0.1)%
Used light vehicle wholesale	0.2%	0.5%
Used heavy truck wholesale	(0.3)%	(0.3)%
Parts and service—light vehicle	45.1%	50.3%
Parts and service—heavy truck	3.1%	3.4%
Finance and insurance, net—light vehicle	16.0%	14.0%
Finance and insurance, net—heavy truck	— %	0.1%
Total gross profit	100.0%	100.0%
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	79.3%	83.0%

Net income and income from continuing operations increased $7.1 million and $6.3 million, respectively, during the first quarter of 2010, as compared to the first quarter of 2009, primarily as a result of (i) a $17.5 million (12%) increase in gross profit, (ii) a 370 basis point decrease in SG&A expenses as percentage of gross profit, (iii) a $0.8 million (16%) decrease in floor plan interest expense and (iv) a $0.3 million (3%) decrease in other interest expense. Our loss from discontinued operations decreased $0.8 million, net of tax, during the first quarter of 2010 as compared to the first quarter of 2009, primarily related to a decrease in the number of dealerships included in discontinued operations in the first quarter of 2010 as compared to the first quarter of 2009.

The $6.3 million increase in income from continuing operations was primarily the result of increased gross profit across all four of our business lines in the 2010 period. The $17.5 million (12%) increase in total gross profit was primarily a result of an $8.6 million (32%) increase in new vehicle gross profit, a $5.5 million (27%) increase in F&I gross profit and a $2.9 million (15%) increase in used vehicle gross profit. Our total gross profit margin decreased 70 basis points to 17.0%, principally as a result of a mix shift to our lower margin new and used vehicle businesses. Our total light vehicle gross profit margin decreased 70 basis points to 17.5%.

The $139.9 million (17%) increase in total revenue was primarily a result of a $96.2 million (22%) increase in new vehicle revenue and a $44.2 million (21%) increase in used vehicle revenue. The increase in new vehicle revenue includes an $84.8 million (21%) increase in same store light vehicle revenue and an $11.4 million (31%) increase in heavy truck revenue. The increase in used vehicle revenue includes a $35.7 million (21%) increase in same store light vehicle retail revenue and an $8.9 million (25%) increase in same store light vehicle wholesale revenue.

New Vehicle—

	For the Three Months Ended March 31,		Increase (Decrease)	% Change
	2010	2009		
	(In millions)			
Revenue:				
New vehicle revenue—same store(1)				
Luxury	$ 179.2	$ 142.5	$ 36.7	26%
Mid-line import	227.9	189.8	38.1	20%
Mid-line domestic	67.4	59.2	8.2	14%
Value	6.4	4.6	1.8	39%
Total new light vehicle revenue—same store(1)	480.9	396.1	84.8	21%
Heavy truck	47.9	36.5	11.4	31%
Total new vehicle revenue—same store(1)	528.8	432.6	96.2	22%
New vehicle revenue—acquisitions	—	—		
Total new vehicle revenue, as reported	$ 528.8	$ 432.6	$ 96.2	22%
Gross profit:				
New vehicle gross profit—same store(1)				
Luxury	$ 15.0	$ 9.8	$ 5.2	53%
Mid-line import	13.9	11.3	2.6	23%
Mid-line domestic	5.0	4.2	0.8	19%
Value	0.2	0.3	(0.1)	(33)%
Total new light vehicle gross profit—same store(1)	34.1	25.6	8.5	33%
Heavy truck	1.7	1.6	0.1	6%
Total new vehicle gross profit—same store(1)	35.8	27.2	8.6	32%
New vehicle gross profit—acquisitions	—	—		
Total new vehicle gross profit, as reported	$ 35.8	$ 27.2	$ 8.6	32%

	For the Three Months Ended March 31,		Increase (Decrease)	% Change
	2010	2009		
New vehicle units:				
New vehicle retail units—same store(1)				
Luxury	3,715	3,076	639	21%
Mid-line import	9,059	7,690	1,369	18%
Mid-line domestic	1,792	1,763	29	2%
Value	304	204	100	49%
Total new light vehicle retail units—same store(1)	14,870	12,733	2,137	17%
Fleet vehicles	486	459	27	6%
Total new light vehicle units—same store(1)	15,356	13,192	2,164	16%
Heavy truck	1,059	584	475	81%
Total new vehicle units—same store(1)	16,415	13,776	2,639	19%
Total new vehicle units—acquisitions	—	—		
New vehicle units—actual	16,415	13,776	2,639	19%
Total new light vehicle units—same store(1)	15,356	13,192	2,164	16%
Total new light vehicle units—acquisitions	—	—		
Total new light vehicle units	15,356	13,192	2,164	16%

New Vehicle Metrics—

	For the Three Months Ended March 31,		Increase (Decrease)	% Change
	2010	2009		
Revenue per new light vehicle sold—same store(1)	$31,317	$30,026	$ 1,291	4%
Revenue per new heavy truck sold	$45,231	$62,500	$(17,269)	(28)%
Revenue per new vehicle sold—same store(1)	$32,214	$31,402	$ 812	3%
Gross profit per new light vehicle sold—same store(1)	$ 2,221	$ 1,941	$ 280	14%
Gross profit per new heavy truck sold	$ 1,605	$ 2,740	$ (1,135)	(41)%
Gross profit per new vehicle sold—same store(1)	$ 2,181	$ 1,974	$ 207	10%
New light vehicle gross margin—same store(1)	7.1%	6.5%	0.6%	9%
New heavy truck gross margin	3.5%	4.4%	(0.9)%	(20)%
New vehicle gross margin—same store(1)	6.8%	6.3%	0.5%	8%

(1) Same store information consists of amounts from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $96.2 million (22%) increase in new vehicle revenue was primarily the result of an $84.8 million (21%) increase in same store light vehicle revenue due to a 17% increase in same store light vehicle retail unit sales and a 4% increase in revenue per new light vehicle sold. We believe that our increase in new vehicle retail unit sales was primarily driven by a favorable comparison with an overall weak economic environment in the first quarter of 2009, as well as increased consumer confidence, less stringent consumer lending standards and financing incentive programs by certain manufacturers. Unit volumes increased across each of our brand segments, consistent with overall U.S. vehicle sales.

New vehicle SAAR, increased to 11.0 million during the first quarter of 2010 as compared to 9.5 million in the first quarter of 2009. We expect a modest recovery of overall U.S. vehicle sales in 2010, as mid-line import brands are expected to continue to gain market share and luxury brands to maintain current sales levels.

The $8.6 million (32%) increase in new vehicle gross profit was due to an $8.5 million (33%) increase in same store light vehicle gross profit, resulting from a 17% increase in same store light vehicle retail unit sales and a 60 basis point (9%) increase in same store light vehicle gross margin. We experienced significant increases in gross profit across all of our major light vehicle brands, and a slight increase in gross profit from our heavy truck brands.

Used Vehicle—

	For the Three Months Ended March 31,		Increase (Decrease)	% Change
	2010	2009		
	(Dollars in millions, except for per vehicle data)			
Revenue:				
Used vehicle retail revenues—same store(1)				
Light vehicles	$ 204.9	$ 169.2	$ 35.7	21%
Heavy truck	1.4	1.9	(0.5)	(26)%
Total used vehicle retail revenues—same store(1)	206.3	171.1	35.2	21%
Used vehicle retail revenues—acquisitions	—	—		
Total used vehicle retail revenues	206.3	171.1	35.2	21%
Used vehicle wholesale revenues—same store(1)				
Light vehicles	45.2	36.3	8.9	25%
Heavy truck	0.9	0.8	0.1	13%
Total used vehicle wholesale revenues—same store(1)	46.1	37.1	9.0	24%
Used vehicle wholesale revenues—acquisitions	—	—		
Total used vehicle wholesale revenues	46.1	37.1	9.0	24%
Used vehicle revenue, as reported	$ 252.4	$ 208.2	$ 44.2	21%
Gross profit:				
Used vehicle retail gross profit—same store(1)				
Light vehicles	$ 22.7	$ 19.5	$ 3.2	16%
Heavy truck	—	(0.1)	0.1	100%
Total used vehicle retail gross profit—same store(1)	22.7	19.4	3.3	17%
Used vehicle retail gross profit—acquisitions	—	—		
Total used vehicle retail gross profit	22.7	19.4	3.3	17%
Used vehicle wholesale gross profit—same store(1)				
Light vehicles	0.3	0.7	(0.4)	(57)%
Heavy truck	(0.4)	(0.4)	—	— %
Total used vehicle wholesale gross profit—same store(1)	(0.1)	0.3	(0.4)	(133)%
Used vehicle wholesale gross profit—acquisitions	—	—		
Total used vehicle wholesale gross profit	(0.1)	0.3	(0.4)	(133)%
Used vehicle gross profit, as reported	$ 22.6	$ 19.7	$ 2.9	15%
Used vehicle retail units:				
Used vehicle retail units—same store(1)				
Light vehicles	10,897	9,542	1,355	14%
Heavy truck	69	60	9	15%
Total used vehicle retail units—same store(1)	10,966	9,602	1,364	14%
Used vehicle retail units—acquisitions	—	—		
Used vehicle retail units—actual	10,966	9,602	1,364	14%

Used Vehicle Metrics—

	For the Three Months Ended March 31,		Increase (Decrease)	% Change
	2010	2009		
Revenue per used light vehicle retailed—same store(1)	$ 18,803	$ 17,732	$ 1,071	6%
Revenue per used heavy truck retailed	$ 20,290	$ 31,667	$(11,377)	(36)%
Revenue per used vehicle retailed—same store(1)	$ 18,813	$ 17,819	$ 994	6%
Gross profit per used light vehicle retailed—same store(1)	$ 2,083	$ 2,044	$ 39	2%
Gross profit per used heavy truck retailed	$ —	$ (1,667)	$ 1,667	100%
Gross profit per used vehicle retailed—same store(1)	$ 2,070	$ 2,020	$ 50	2%
Used light vehicle retail gross margin—same store(1)	11.1%	11.5%	(0.4)%	(3)%
Used heavy truck retail gross margin	— %	(5.3)%	5.3%	100%
Used vehicle retail gross margin—same store(1)	11.0%	11.3%	(0.3)%	(3)%

(1) Same store information consists of amounts from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $44.2 million (21%) increase in used vehicle revenue includes a $35.7 million (21%) increase in same store light vehicle retail revenue and an $8.9 million (25%) increase in same store light vehicle wholesale revenue. The $2.9 million (15%) increase in used vehicle gross profit was primarily the result of a $3.2 million (16%) increase in same store light vehicle retail gross profit, partially offset by a $0.4 million (57%) decrease in same store light vehicle wholesale gross profit. We believe that the increase in used light vehicle retail revenue and gross profit was driven primarily by unit volume increases that reflected increased consumer confidence and a favorable comparison to an overall weak economic environment in the first quarter of 2009. In addition, we have begun to see the benefit of several store-level programs initiated during 2009, including inventory management practices that allow us to offer a wider selection of used vehicle inventory to our customers. Light vehicle used retail revenue per vehicle retailed (“PVR”) increased 6%, while light vehicle retail gross profit PVR increased 2%.

We believe our used vehicle inventory has become more closely aligned with consumer demand, with approximately 32 days of supply in our inventory as of March 31, 2010, as compared to approximately 38 days sales in our inventory as of March 31, 2009. We expect that maintaining our current level of used vehicle inventory, based on days supply, positions us well to deliver improved used vehicle profitability. In addition, we continue to focus on aligning our used vehicle inventory to meet consumer demands by offering vehicles at varying price points, including Certified Pre-Owned (“CPO”) vehicles, traditional used vehicles and lower cost vehicles obtained through trade-ins.

Parts and Service—

	For the Three Months Ended March 31, 2010	2009	Increase (Decrease)	% Change
	(Dollars in millions)			
Revenue:				
Parts and service revenues—same store(1)				
Light vehicles	$ 136.2	$ 143.2	$ (7.0)	(5)%
Heavy truck	16.6	15.6	1.0	6%
Total parts and service revenue—same store(1)	152.8	158.8	(6.0)	(4)%
Parts and service revenues—acquisitions	—	—		
Parts and service revenue, as reported	$ 152.8	$ 158.8	$ (6.0)	(4)%
Gross profit:				
Parts and service gross profit—same store(1)				
Light vehicles	$ 73.5	$ 73.1	$ 0.4	1%
Heavy truck	5.0	4.9	0.1	2%
Total parts and service gross profit—same store(1)	78.5	78.0	0.5	1%
Parts and service gross profit—acquisitions	—	—		
Parts and service gross profit, as reported	$ 78.5	$ 78.0	$ 0.5	1%
Light vehicle parts and service gross margin—same store(1)	54.0%	51.0%	3.0%	6%
Heavy truck parts and service gross margin	30.1%	31.4%	(1.3)%	(4)%
Parts and service gross margin—same store(1)	51.4%	49.1%	2.3%	5%

(1) Same store information consists of amounts from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $6.0 million (4%) decrease in parts and service revenues was primarily due to a decrease in our warranty business as well as a decrease in our customer pay business. The $0.5 million (1%) increase in parts and service gross profit was due to a 300 basis point increase in our light vehicle parts and service gross margin primarily as a result of increased gross profit from reconditioning of used vehicles. We believe the decrease in customer pay revenue is a result of customers continuing to delay maintenance visits and large repair work as they continue to limit non-essential spending, as well a decrease in the population of vehicles in the market due to decreased unit sales in the last two years. We believe the decrease in our warranty business reflects improvements in the quality of vehicles produced in recent years, as well as the lower number of vehicles under warranty due to reduced overall sales in recent periods and the related expiration of warranties on late model vehicles. As a result of the significant decline in U.S. vehicle sales over the past two years our parts and service business may continue to be adversely impacted for the next several years.

Same store customer pay parts and service revenue decreased $1.6 million (2%), while same store customer pay parts and service gross profit increased $2.1 million (4%). Revenue and gross profit from our warranty business decreased $4.0 million (13%) and $1.5 million (10%), respectively, on a same store basis. Revenue and gross profit from our wholesale parts business decreased $0.4 million (1%) and $0.1 million (1%), respectively, on a same store basis.

We continue to focus on improving our customer pay business over the long-term by (i) continuing to invest in additional service capacity, where appropriate, (ii) upgrading equipment, (iii) focusing on improving customer retention and customer satisfaction and (iv) capitalizing on our dealer training programs.

Finance and Insurance, net—

	For the Three Months Ended March 31, 2010	2009	Increase (Decrease)	% Change
	(In millions, except for per vehicle data)			
Dealership generated F&I, net—same store(1)				
Light vehicles	$ 25.4	$ 20.0	$ 5.4	27%
Heavy truck	—	0.1	(0.1)	(100)%
Dealership generated F&I—same store(1)	25.4	20.1	5.3	26%
Dealership generated F&I—acquisitions	—	—		
Dealership generated F&I, net	25.4	20.1	5.3	26%
Corporate generated F&I	0.6	0.4	0.2	50%
Finance and insurance, net as reported	$ 26.0	$ 20.5	$ 5.5	27%
Dealership generated light vehicle F&I per vehicle sold—same store(1) (2)	$ 968	$ 880	$ 88	10%
Dealership generated F&I per vehicle sold— same store(1) (2)	$ 928	$ 860	$ 68	8%
Light vehicle F&I per vehicle sold—same store(1)	$ 990	$ 897	$ 93	10%
Heavy truck F&I per vehicle sold	—	$ 155	$ (155)	(100)%
F&I per vehicle sold—same store(1)	$ 950	$ 877	$ 73	8%

(1) Same store information consists of amounts from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

(2) Dealership generated F&I per vehicle sold excludes Corporate generated F&I.

We evaluate our dealership generated F&I performance on a per vehicle sold basis by dividing dealership generated F&I gross profit by the number of vehicles sold during the period. We also evaluate F&I gross profit from our portfolio of consumer loans, as well as any gains related to the sale of our remaining interest in certain contracts (collectively, “Corporate generated F&I”). Beginning in 2009, we discontinued issuing new consumer loans for the purchase of used vehicles and began managing the wind-down of our existing loan portfolio, which totaled $6.5 million as of March 31, 2010. F&I increased $5.5 million (27%) during the first quarter of 2010 as compared to 2009, due to (i) a 16% increase in same store light vehicle retail unit sales and (ii) a 10% increase in same store dealership generated light vehicle F&I per vehicle sold.

The increase in dealership generated F&I per vehicle sold was primarily attributable to results from our continued focus on (a) improving our F&I results at our lower-performing stores by increasing the training of our F&I personnel and implementing best practices initiatives, including a certification process for our F&I personnel and (b) continuing to refine and enhance the menu of products we offer our customers. We also benefited from less stringent lending standards and other market factors in the first quarter of 2010, which allowed more of our customers to take advantage of a broader array of finance and insurance products.

Selling, General and Administrative—

	For the Three Months Ended March 31,					
	2010	% of Gross Profit	2009	% of Gross Profit	Increase (Decrease)	% of Gross Profit Increase (Decrease)
	(Dollars in millions)					
Personnel costs	$ 62.0	38.1%	$ 58.8	40.4%	$ 3.2	(2.3)%
Sales compensation	15.2	9.3%	13.0	8.9%	2.2	0.4%
Share-based compensation	1.9	1.2%	1.5	1.0%	0.4	0.2%
Outside services	11.4	7.0%	10.1	6.9%	1.3	0.1%
Advertising	6.8	4.2%	6.5	4.5%	0.3	(0.3)%
Rent	11.3	6.9%	10.0	6.9%	1.3	— %
Utilities	4.3	2.6%	4.5	3.1%	(0.2)	(0.5)%
Insurance	2.6	1.6%	4.5	3.1%	(1.9)	(1.5)%
Other	13.6	8.4%	11.8	8.2%	1.8	0.2%
Selling, general and administrative—same store(1)	129.1	79.3%	120.7	83.0%	8.4	(3.7)%
Acquisitions	—		—			
Selling, general and administrative—actual	$129.1	79.3%	$120.7	83.0%	$ 8.4	(3.7)%
Gross Profit—same store(1)	$162.9		$145.4			
Gross Profit—actual	$162.9		$145.4			

(1) Same store information consists of amounts from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

Same store SG&A expense as a percentage of gross profit was 79.3% for the first quarter of 2010, as compared to 83.0% for the first quarter of 2009. The 370 basis point decrease was primarily a result of (i) a 230 basis point decrease in personnel costs as a result of leveraging our fixed expenses, restructuring costs in the first quarter of 2009 which did not recur in the 2010 period and lower fixed compensation expense resulting from the elimination of our regional management structure and staffing reductions and (ii) a 150 basis point decrease in insurance costs as a result of improved loss experience, favorable results from insurance policy renewals and a reduction in the number of dealerships we operate. We are also currently engaged in numerous store-level productivity initiatives to improve our profitability, including the transition to a common dealership management system and the consolidation of certain dealership accounting functions.

Floor Plan Interest Expense—

The $0.8 million (16%) decrease in floor plan interest expense was attributable to a lower average balance of new vehicle inventory and the lower short-term interest rate environment. Additionally, during the three months ended March 31, 2010, we used excess cash to repay floor plan notes payable prior to the sale of the related vehicle.

Other Interest Expense—

The $0.3 million (3%) decrease in other interest expense was primarily attributable to lower average indebtedness outstanding as a result of the repurchase of $7.3 million of our 3% Notes in the fourth quarter of 2009, the repayment of $8.0 million of mortgage notes payable in the third quarter of 2009 and scheduled principal repayments of mortgage notes payable.

Income Tax Expense—

The $4.2 million increase in income tax expense was primarily a result of the $10.5 million increase in income before income taxes in the first quarter of 2010 as compared to the first quarter of 2009. Our effective tax rate increased from 35.0% for the 2009 period to 38.6% for the 2010 period. The 360 basis point increase was primarily the result of a reduction of certain tax reserves during the first quarter of 2009. Our effective tax rate is highly dependent on our level of income before income taxes and permanent differences between book and tax income. As a result, it is difficult to project our overall effective tax rate for any given period. Excluding the impact of permanent differences between book and tax income and based upon our current expectation of 2010 income before income taxes, we expect our effective income tax rate will be between 38% and 40% for 2010.

Discontinued Operations—

During the first quarter of 2010, we sold one franchise (one dealership location), and as of March 31, 2010, there was one franchise (one dealership location) pending disposition. The $1.5 million, net of tax, net loss from discontinued operations during the first quarter of 2010 was the result of (i) $1.4 million, net of tax, of net operating losses of franchises sold or pending disposition as of March 31, 2010, including rent expense of idle facilities and legal expenses associated with franchises sold prior to March 31, 2010 and (ii) a $0.1 million, net of tax, loss on the sale of one franchise (one dealership location).

The $2.3 million, net of tax, net loss from discontinued operations during the first quarter of 2009 includes $2.4 million of net operating losses of franchises sold or pending disposition as of March 31, 2010, including rent expense of idle facilities and legal expenses associated with franchises sold prior to March 31, 2010, partially offset by a $0.1 million, net of tax, gain on the sale of two franchises (one dealership location).

We continuously evaluate the financial and operating results of our dealerships, as well as each dealership's geographical location, and may continue to refine our dealership portfolio through strategic divestitures from time to time.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2010, we had total available liquidity of $203.7 million, including cash and cash equivalents of $29.4 million and borrowing availability of $174.3 million under our various credit facilities. From time to time our total available liquidity is impacted by management's decision to use excess cash to repay floor plan notes payable prior to the sale of the related vehicle to maximize the return on our cash. Our available liquidity decreased by $39.5 million between December 31, 2009 and March 31, 2010, primarily as a result of increased floor plan repayment activity. The total borrowing capacity under our credit facilities of $200.0 million is limited by a borrowing base calculation and, from time to time, may be further limited by certain financial covenants. Our financial covenants currently do not further limit our availability under our credit facilities. For a detailed discussion of our financial covenants, see "Covenants" below.

We continuously evaluate our liquidity position based upon (i) our cash and cash equivalents on hand, (ii) the funds that we expect to generate through future operations, (iii) current borrowing availability under our revolving credit facilities, floor plan facilities and mortgage financing and (iv) potential proceeds from future asset sales. We believe we will have sufficient liquidity to meet our debt service and working capital requirements, commitments and contingencies, debt repayments and repurchases, acquisitions, capital expenditures and any seasonal operating requirements for at least the next twelve months.

We have the following material credit facilities, mortgage notes, senior subordinated notes and inventory financing facilities as of March 31, 2010. For a more detailed description of the material terms of our various debt agreements, refer to the "Floor Plan Notes Payable" and "Long-Term Debt" footnotes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

- **Revolving credit facility** - $150.0 million revolving credit facility with Bank of America, as administrative agent, and a syndicate of commercial banks and commercial financing entities (the "BofA Revolving Credit Facility") for working capital, general corporate purposes and acquisitions.
- **Used vehicle facility** - $50.0 million used vehicle floor plan facility with JPMorgan Chase Bank, N.A. and Bank of America (the "JPMorgan Used Vehicle Floor Plan Facility") for working capital, capital expenditures and general corporate purposes.
- **Mortgage notes** - $167.7 million of mortgage notes payable to Wachovia Bank, National Association, a national banking association, and Wachovia Financial Services, Inc., a North Carolina corporation (collectively referred to as, "Wachovia") and certain other mortgagors. These mortgage notes payable are secured by the related underlying property.
- **3% Senior Subordinated Convertible Notes due 2012 ("3% Notes")** - $54.7 million in aggregate principal amount of our 3% Notes outstanding, offset by $4.5 million of an unamortized discount. We pay interest on the 3% Notes on March 15 and September 15 of each year until their maturity on September 15, 2012.
- **8% Senior Subordinated Notes due 2014 ("8% Notes")** - $179.4 million in aggregate principal amount of our 8% Notes outstanding, offset by $4.3 million of hedging activity. We pay interest on the 8% Notes on March 15 and September 15 of each year until their maturity on March 15, 2014.
- **7.625% Senior Subordinated Notes due 2017 ("7.625% Notes")** - $143.2 million in aggregate principal amount of our 7.625% Notes outstanding. We pay interest on the 7.625% Notes on March 15 and September 15 of each year until their maturity on March 15, 2017.
- **Inventory financing ("Floor plan") facilities** - $326.7 million outstanding with lenders affiliated with the manufacturers from which we purchase new vehicles, including $1.5 million classified as Liabilities Associated with Assets Held for Sale, and $59.5 million outstanding with lenders not affiliated with any such manufacturers. The availability under our floor plan facilities is not limited, with the exception of an $18.0 million limitation in aggregate borrowings for the

purchase of Chrysler, Dodge and Jeep new vehicle inventory and a $30.0 million limitation in aggregate borrowings for the purchase of Hyundai, Kia, Audi, Porsche, Volkswagen, Land Rover and Jaguar new vehicle inventory.

Under the terms of our credit facilities and certain mortgage notes payable, our ability to incur new indebtedness is currently limited to (i) permitted floorplan indebtedness, (ii) real estate loans in an aggregate amount not to exceed $12.0 million, (iii) certain refinancings, refunds, renewals or extensions of existing indebtedness and (iv) other customary permitted indebtedness.

Subordinated Note Repurchases

We may from time to time repurchase subordinated notes in open market purchases or privately negotiated transactions. The decision to repurchase subordinated notes will be dependent upon prevailing market conditions, our liquidity position, and other factors. On February 17, 2010, our Board of Directors authorized us to use up to an additional $30.0 million of cash to repurchase debt securities and/or make unscheduled principal payments on our existing mortgages. Currently, our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility limit our ability to purchase our debt securities to $30.0 million per calendar year, plus 50% of the net proceeds from any asset sales during any given calendar year.

Covenants

We are subject to a number of financial covenants in our various debt and lease agreements, including those described below. We were in compliance with all of our financial covenants as of March 31, 2010.

Our BofA Revolving Credit Facility, JPMorgan Used Vehicle Floor Plan Facility and certain of our mortgages and/or guarantees related to such mortgages include financial covenants with requirements as set forth in the table below (capitalized terms represent terms defined in the applicable agreements). In July 2009, we amended the BofA Revolving Credit Facility, which among other things, eliminated the total leverage ratio and reduced the fixed charge coverage ratio from 1.20 to 1.00, to 1.10 to 1.00 for each four fiscal quarter period ending on or before September 30, 2010. For periods ending after September 30, 2010, the fixed charge coverage ratio will return to 1.20 to 1.00. At our option and with 30 days' written notice, the indebtedness limitation, as described above, may be lifted in conjunction with the total leverage ratio being reinstated at any time after April 30, 2010, to the terms as set forth in the BofA Revolving Credit Facility prior to the July 2009 amendment.

	Requirement	March 31, 2010	Pass / Fail
Current Ratio	> 1.20 to 1	1.71	Pass
Fixed Charge Coverage Ratio	> 1.10 to 1	1.65	Pass
Consolidated Total Senior Leverage Ratio	< 3.00 to 1	1.45	Pass

Our guarantees under the Wachovia Master Loan Agreement include certain financial covenants with requirements as set forth in the table below (capitalized terms represent terms defined in the agreements). In May 2009, we amended the Wachovia Master Loan Agreement, which among other things, eliminated the requirement that we comply with the total leverage ratio, but imposed significant additional limitations on our ability to incur new indebtedness. At our option and with 30 days' written notice, the indebtedness limitation, as described above, may be lifted in conjunction with the total leverage ratio being reinstated to the terms as set forth in the Wachovia Master Loan Agreement prior to the May 2009 amendment.

	Requirement	March 31, 2010	Pass / Fail
Current Ratio	> 1.20 to 1	1.69	Pass
Fixed Charge Coverage Ratio	> 1.20 to 1	1.74	Pass
Adjusted Net Worth	> $350.0 million	$633.9 million	Pass

Certain of our lease agreements include financial covenants with the requirements in the table below (capitalized terms represent terms defined in the applicable agreements) and incorporate by reference the financial covenants set forth in the BofA Revolving Credit Facility.

	Requirement	March 31, 2010	Pass / Fail
Current Ratio	> 1.20 to 1	1.78	Pass
EBITDAR Ratio	> 1.50 to 1	2.16	Pass

Share Repurchase

We repurchased 6,706 shares of our common stock for $0.1 million from employees in connection with a net share settlement feature of employee share-based awards during the first quarter of 2010.

Cash Flow

Classification of Cash Flows Associated with Floor Plan Notes Payable

Borrowings and repayments of floor plan notes payable to a lender unaffiliated with the entity from which we purchase a particular new vehicle, and all floor plan notes payable relating to pre-owned vehicles (collectively referred to as “floor plan notes payable—non-trade”), are classified as financing activities on the accompanying Condensed Consolidated Statements of Cash Flows, with borrowings reflected separately from repayments. The net change in floor plan notes payable to a lender affiliated with the entity from which we purchase new vehicles (collectively referred to as “floor plan notes payable – trade”) is classified as an operating activity on the accompanying Condensed Consolidated Statements of Cash Flows. Borrowings of floor plan notes payable associated with inventory acquired in connection with all acquisitions are classified as a financing activity. Cash flows related to floor plan notes payable included in operating activities differ from cash flows related to floor plan notes payable included in financing activities only to the extent that the former are payable to a lender affiliated with the entity from which we purchased the related inventory, while the latter are payable to a lender not affiliated with the entity from which we purchased the related inventory.

Floor plan borrowings are required by all vehicle manufacturers for the purchase of new vehicles, and all floor plan lenders require amounts borrowed for the purchase of a vehicle to be repaid within a specified time period after the related vehicle is sold. As a result, we believe that it is important to understand the relationship between the cash flows of all of our floor plan notes payable and new vehicle inventory in order to understand our working capital and operating cash flow and to be able to compare our operating cash flow to that of our competitors (*i.e.*, if our competitors have a different mix of trade and non-trade floor plan financing as compared to us). In addition, we include all floor plan borrowings and repayments in our internal operating cash flow forecasts. As a result, we use the non-GAAP measure “cash provided by operating activities, as adjusted” to compare our results to forecasts. We believe that splitting the cash flows of floor plan notes payable between operating activities and financing activities, while all new vehicle inventory activity is included in operating activities results in significantly different operating cash flow than if all the cash flows of floor plan notes payable are classified together in operating activities.

Cash provided by operating activities, as adjusted, has material limitations. Cash provided by operating activities, as adjusted, includes borrowings and repayments of floor plan notes payable to lenders not affiliated with the entity from which we purchase the related vehicle. Cash provided by operating activities, as adjusted, may not be comparable to similarly titled measures of other companies and should not be considered in isolation, or as a substitute for analysis of our operating results in accordance with GAAP. In order to compensate for these potential limitations we also review the related GAAP measures.

We have provided a reconciliation of cash flow from operating activities, as if all changes in floor plan notes payable, except for (i) borrowings associated with acquisitions and repayments associated with divestitures and (ii) borrowings and repayments associated with the purchase of used vehicle inventory, were classified as an operating activity.

	For the Three Months Ended March 31,	
	2010	2009
	(In millions)	
Reconciliation of Cash (used in) provided by Operating Activities to Cash (used in) provided by Operating Activities, as adjusted		
Net cash (used in) provided by operating activities, as reported	$ (41.7)	$ 42.1
New vehicle floor plan borrowings (repayments)—non-trade, net	(16.8)	(41.8)
Floor plan notes payable—trade divestitures	5.9	—
Net cash (used in) provided by operating activities, as adjusted	$ (52.6)	$ 0.3

Operating Activities—

Net cash used in operating activities totaled $41.7 million and net cash used in operating activities, as adjusted, totaled $52.6 million during the three months ended March 31, 2010. Net cash provided by operating activities totaled $42.1 million and net cash provided by operating activities, as adjusted, totaled $0.3 million during the three months ended March 31, 2009. Net cash used in or provided by operating activities, as adjusted, includes net income adjusted for non-cash items and changes in working capital, including changes in floor plan notes payable and inventory.

The $52.9 million decrease in our cash provided by operating activities, as adjusted, for the three months ended March 31, 2010, compared to the three months ended March 31, 2009, was primarily the result of the following;

- $35.1 million related to the timing of collection of accounts receivable and contracts-in-transit,
- $41.1 million related to the timing of sale of inventory and repayment of the related floor plan notes payable,

The decrease in our cash provided by operating activities, as adjusted, was primarily offset by the following;

- $17.5 million increase in net income adjusted for non-cash items.
- $7.1 million increase related to the timing of payment of accounts payable and accrued expenses.

Investing Activities—

Net cash provided by investing activities totaled $6.0 million and $0.6 million for the three months ending March 31, 2010 and 2009, respectively. Cash flows from investing activities relate primarily to capital expenditures, acquisition and divestiture activity and sale of property and equipment.

Capital expenditures were $3.4 million and $2.2 million for the three months ended March 31, 2010 and 2009, respectively. Our capital investments consisted of upgrades of our existing facilities and equipment purchases. We expect that capital expenditures during 2010 will total approximately $25.0 million.

Proceeds from the sale of assets totaled $9.6 million and $3.2 million for the three months ended March 31, 2010 and 2009, respectively. We continuously monitor the profitability and market value of our dealerships and, under certain conditions, may strategically divest non-profitable dealerships.

Financing Activities—

Net cash used in financing activities totaled $19.6 million and $98.6 million during the three months ended March 31, 2010 and 2009, respectively.

During the first three months of 2010 and 2009, repayments of borrowings amounted to $2.2 million and $54.7 million, respectively. The repayments of borrowings during the three months ended March 31, 2009, were primarily related to a $50.0 million repayment of borrowings from our BofA Revolving Credit Facility. During the three months ended March 31, 2009, proceeds from borrowings amounted to $0.9 million.

During the three months ended March 31, 2009, we repaid $2.9 million of non-trade floor plan notes payable associated with sale of dealerships.

Pending Acquisitions and Divestitures

As of March 31, 2010, one franchise (one dealership location) was pending disposition. Assets associated with pending dispositions totaled $5.2 million as of March 31, 2010. Liabilities associated with pending dispositions totaled $1.5 million as of March 31, 2010.

Assets and liabilities held for sale also includes real estate not currently used in our operations that we currently intend to sell, and totaled $23.2 million as of March 31, 2010.

Stock Repurchase and Dividend Restrictions

Pursuant to the indentures governing our 8% Notes and our 7.625% Notes, and the agreements governing our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility, our ability to repurchase shares of our common stock and pay cash dividends is limited. Such limits are calculated by adding 50% of cumulative net income or subtracting 100% of cumulative net losses (the "Cumulative Net Income Basket"); however, under our most restrictive covenant we may spend $15.0 million in addition to amounts provided by the Cumulative Net Income Basket to repurchase common stock or pay dividends. As of March 31, 2010, our ability to repurchase common stock or pay dividends was limited to $2.2 million under our most restrictive covenant. In addition, notwithstanding the limitations mentioned above, we may spend up to $2.0 million per year to repurchase common stock.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during the years presented other than those disclosed in Note 11 of our accompanying Condensed Consolidated Financial Statements.

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

The following operating performance measure cash provided by operating activities, as adjusted is not a measure of operating performance under U.S. generally accepted accounting principles ("GAAP") and should not be considered as an alternative or substitute for GAAP profitability measures such as cash provided by operating activities. This non-GAAP operating performance measure has material limitations and as a result should be evaluated in conjunction with the directly comparable GAAP measure. For example, this non-GAAP measure is not defined by GAAP and our definition of the measure may differ from and therefore may not be comparable to similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. Other limitations are discussed below. In order to compensate for these limitations, we also review the related GAAP measures. Investors should not consider the non-GAAP measures in isolation, or as a substitute for analysis of our operating results as reported under GAAP.

Cash provided by operating activities, as adjusted

Borrowings and repayments of floor plan notes payable to a lender unaffiliated with the entity from which we purchase a particular new vehicle, and all floor plan notes payable relating to pre-owned vehicles (collectively referred to as "floor plan notes payable—non-trade"), are classified as financing activities on the accompanying Condensed Consolidated Statements of Cash Flows, with borrowings reflected separately from repayments. The net change in floor plan notes payable to a lender affiliated with the entity from which we purchase new vehicles (collectively referred to as "floor plan notes payable—trade") is classified as an operating activity on the accompanying Condensed Consolidated Statements of Cash Flows. Borrowings of floor plan notes payable associated with inventory acquired in connection with all acquisitions are classified as a financing activity. Cash flows related to floor plan notes payable included in operating activities differ from cash flows related to floor plan notes payable included in financing activities only to the extent that the former are payable to a lender affiliated with the entity from which we purchased the related inventory, while the latter are payable to a lender not affiliated with the entity from which we purchased the related inventory.

Floor plan borrowings are required by all vehicle manufacturers for the purchase of new vehicles, and all floor plan lenders require amounts borrowed for the purchase of a vehicle to be repaid within a specified period after the related vehicle is sold. As a result, we believe that it is important to understand the relationship between the cash flows of all of our floor plan notes payable and new vehicle inventory in order to understand our working capital and operating cash flow and to be able to compare our operating cash flow to that of our competitors (i.e., if our competitors have a different mix of trade and non-trade floor plan financing as compared to us). In addition, we include all floor plan borrowings and repayments in our internal operating cash flow forecasts. As a result, we use the non-GAAP measure "cash provided by operating activities, as adjusted" to compare our results to forecasts. We believe that splitting the cash flows of floor plan notes payable between operating activities and financing activities, while all new vehicle inventory activity is included in operating activities results in significantly different operating cash flow than if all the cash flows of floor plan notes payable are classified together in operating activities.

Cash provided by operating activities, as adjusted, has material limitations. Cash provided by operating activities, as adjusted, includes borrowings and repayments of floor plan notes payable to lenders not affiliated with the entity from which we purchase the related vehicle. Cash provided by operating activities, as adjusted, may not be comparable to similarly titled measures of other companies and should not be considered in isolation, or as a substitute for analysis of our operating results in accordance with GAAP. In order to compensate for these potential limitations we also review the related GAAP measures.

We have provided a reconciliation of cash flow from operating activities, as if all changes in floor plan notes payable, except for (i) borrowings associated with acquisitions and repayments associated with divestitures and (ii) borrowings and repayments associated with the purchase of used vehicle inventory, were classified as an operating activity.

	For the Three Months Ended March 31,	
	2010	2009
	(In millions)	
Reconciliation of Cash (used in) provided by Operating Activities to Cash (used in) provided by Operating Activities, as adjusted		
Net cash (used in) provided by operating activities, as reported	$ (41.7)	$ 42.1
New vehicle floor plan borrowings (repayments)—non-trade, net	(16.8)	(41.8)
Floor plan notes payable—trade divestitures	5.9	—
Net cash (used in) provided by operating activities, as adjusted	$ (52.6)	$ 0.3

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates on a significant portion of our outstanding indebtedness. Based on our $416.9 million of total variable rate debt (including floor plan notes payable) outstanding as of March 31, 2010, a 1% change in interest rates would result in a change of approximately $4.2 million to our annual other interest expense.

Hedging Risk—

We have an interest rate swap with a current notional principal amount of $125.0 million. The swap was designed to provide a hedge against changes in interest rates on our variable rate floor plan notes payable through maturity in June 2013. This swap is collateralized by our assets that do not otherwise have a first priority lien. This interest rate swap qualifies for cash flow hedge accounting treatment and contains minor ineffectiveness.

We have a separate interest rate swap with a current notional principal amount of $12.1 million. The swap was designed to provide a hedge against changes in interest rates on our variable rate mortgage notes payable through maturity in June 2011. The notional value of this swap is reduced over its term. This interest rate swap qualifies for cash flow hedge accounting treatment and contains minor ineffectiveness.

Information about the effect of derivative instruments on the accompanying Condensed Consolidated Statement of Income for the three months ended March 31, 2010 (in millions):

Derivative in Cash Flow Hedging relationships	Effective Results Recognized in AOCI (Effective Portion)	Location of Results Reclassified from AOCI to Earnings	Amount Reclassified from AOCI to Earnings–Active Swaps	Amount Reclassified from AOCI to Earnings–Terminated Swaps	Ineffective Results Recognized in Earnings	Location of Ineffective Results
Interest rate swaps	$ (2.2)	Floor plan interest expense	$ (1.2)	$ —	$ —	NA
Interest rate swaps	$ (0.1)	Other interest expense	$ (0.1)	$ —	$ —	NA
Interest rate swaps	NA	Floor plan interest expense	NA	$ (0.1)	$ —	NA

Information about the effect of derivative instruments on the accompanying Condensed Consolidated Statement of Income for the three months ended March 31, 2009 (in millions):

Derivative in Cash Flow Hedging relationships	Effective Results Recognized in AOCI (Effective Portion)	Location of Results Reclassified from AOCI to Earnings	Amount Reclassified from AOCI to Earnings–Active Swaps	Amount Reclassified from AOCI to Earnings–Terminated Swaps	Ineffective Results Recognized in Earnings	Location of Ineffective Results
Interest rate swaps	$ (3.2)	Floor plan interest expense	$ (1.0)	$ —	$ —	Floor plan interest expense
Interest rate swaps	$ (0.1)	Other interest expense	$ (0.1)	$ —	$ —	Other interest expense
Interest rate swaps	NA	Floor plan interest expense	NA	$ (0.1)	$ —	Floor plan interest expense

On the basis of yield curve conditions as of March 31, 2010, we anticipate that the amount expected to be reclassified out of Accumulated Other Comprehensive Income ("AOCI") into earnings in the next 12 calendar months will be a loss of $4.8 million. However, this anticipated $4.8 million loss relates to hedging activity that fixes the interest rates on only 25% of our variable rate debt, including floor plan notes payable and, therefore, if the current low interest rate environment continues we believe we would experience a benefit from such interest rates on 75% of our variable rate debt.

Fair Values of Derivative Instruments on the accompanying Condensed Consolidated Balance Sheet as of March 31, 2010 (in millions):

	Asset Derivatives		Liability Derivatives	
Derivatives Designed as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Swaps	Other Long-Term Assets	N/A	Other Long-Term Liabilities	$ 9.1
Interest Rate Swaps	Other Current Assets	N/A	Accrued Liabilities	$ 0.3

Fair Values of Derivative Instruments on the accompanying Condensed Consolidated Balance Sheet as of December 31, 2009 (in millions):

	Asset Derivatives		Liability Derivatives	
Derivatives Designed as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Swaps	Other Long-Term Assets	N/A	Other Long-Term Liabilities	$ 8.1
Interest Rate Swaps	Other Current Assets	N/A	Accrued Liabilities	$ 0.3

Fair values are measured as the present value of all expected future cash flows based on the LIBOR-based swap yield curve as of the date of the valuation. The inputs to this calculation are deemed to be level 2 inputs. In discounting expected future cash flows under the swap, the company adjusted the LIBOR-based yield curve's implied discount rates to reflect the credit quality of the party bearing the cash flow obligation to pay.

Market Risk Disclosures as of March 31, 2010:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Fixed Rate	Underlying Rate	Expiration	Fair Value
Interest Rate Swap	$ 125.0	4.0425%	1 month LIBOR	2013	$ (8.8)
Interest Rate Swap*	$ 12.1	6.0800%	1 month LIBOR plus 175 basis points	2011	$ (0.6)

Market Risk Disclosures as of December 31, 2009:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Fixed Rate	Underlying Rate	Expiration	Fair Value
Interest Rate Swap	$ 125.0	4.0425%	1 month LIBOR	2013	$ (7.8)
Interest Rate Swap*	$ 12.2	6.0800%	1 month LIBOR plus 175 basis points	2011	$ (0.6)

* This swap is amortizing. Immediately prior to maturity, its notional value will be $11.3 million.

In connection with the sale of our 3% Notes, we entered into convertible note hedge transactions with respect to our common stock with Goldman, Sachs & Co. and Deutsche Bank AG, London Branch (collectively, the "Counterparties"). The convertible note hedge transactions require the Counterparties to deliver to us, subject to customary anti-dilution adjustments, all shares issuable upon conversion of the 3% Notes. The effect of the convertible note hedge transactions is to unwind the conversion feature of the 3% Notes. Under the terms of the convertible note hedge transactions we will receive shares from the Counterparties in the event of a conversion of our 3% Notes. As of March 31, 2010, in connection with the repurchase of $53.0 million of 3% Notes since their issuance, a pro-rata portion of the convertible note hedges have been terminated.

We also entered into separate warrant transactions whereby we sold to the Counterparties warrants to acquire, subject to customary anti-dilution adjustments, shares of our common stock at an initial strike price of $45.09 per share, which was a 62.50% premium over the market price of our common stock at the time of pricing. As of December 31, 2009, the strike price was $44.74 as a result of certain dividend payments. Under the terms of the warrant transactions we are required to issue shares of our common stock to the Counterparties in the event of a conversion of our 3% Notes at a strike price above $33.73.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Company's chief executive officer and chief financial officer concluded that, as of the end of such period, such disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time period specified in the rules and forms of the U.S. Securities and Exchange Commission and (ii) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. The Company's management, including the chief executive officer and the chief financial officer, does not expect that our disclosure controls and procedures can prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of one or more persons. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and while our disclosure controls and procedures are designed to be effective under circumstances where they should reasonably be expected to operate effectively, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in any control system, misstatements due to possible errors or fraud may occur and not be detected.

There was no change in our internal control over financial reporting during the first quarter of 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 4. Other Information

Retirement of Philip R. Johnson, Vice President, Human Resources

On April 28, 2010, we issued a press release announcing the retirement of Philip R. Johnson, our Vice President, Human Resources, and the appointment of Joseph G. Parham as Mr. Johnson's successor. A copy of the press release is attached to this Form 10-Q as Exhibit 99.1 and incorporated herein by reference.

Amendment of the Asbury Automotive Group, Inc. 2002 Equity Incentive Plan

Our 2002 Equity Incentive Plan (the "Plan") was amended to (i) add a minimum vesting period of three years for performance-based and nonperformance-based full value awards; (ii) limit the number of full value awards granted without the minimum vesting period to 10% of the shares available for award under the Plan as of February 17, 2010, the date of the Plan amendment; and (iii) provide that the administration of the Plan and awards granted thereunder may be delegated to a committee of one or more independent directors, rather than the entire Board. The First Amendment to the Plan is attached hereto as Exhibit 10.2, and the Amended and Restated Plan is attached hereto as Exhibit 10.3, both of which are incorporated herein by reference.

Form of Director and Officer Indemnification Agreement

In connection with the renewal of our director and officer ("D&O") insurance policy, on April 27, 2010, the Board approved the form of Director and Officer Indemnification Agreement (the "D&O Indemnification Agreement") attached hereto as Exhibit 10.7 and incorporated herein by reference. The D&O Indemnification Agreement has been updated to reflect developments in applicable law, but does not differ materially from the form of agreement currently in effect between us and our directors and officers.

Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Stockholders was held on April 27, 2010. The matters listed below were submitted to a vote of the stockholders through the solicitation of proxies, and the proposals are described in detail in the Company's proxy statement filed with the Securities and Exchange Commission on March 26, 2010. The final results of the stockholder votes are as follows:

Proposal 1 – Election of Directors

The following individuals were elected to serve as Class II directors of the Board to hold office until the 2013 Annual Meeting of Stockholders:

	Total Vote For Each Director	Total Vote Withheld From Each Director	Broker Non-Votes
Thomas C. DeLoach, Jr.	25,624,198	315,636	2,725,588
Philip F. Maritz	25,623,488	316,346	2,725,588
Jeffrey I. Wooley	24,177,781	1,762,053	2,725,588

Proposal 2 – Ratification of appointment of Ernest & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2010.

The stockholders ratified the appointment of Ernest & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2010.

For	28,649,397
Against	12,937
Abstain	3,088
Broker Non-Votes	None

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Item 5. Exhibits

Exhibits required to be filed by Item 601 of Regulation S-K:

10.1	Amended and Restated Employment Agreement between Charles R. Oglesby and Asbury Automotive Group, Inc., dated as of March 22, 2010 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 25, 2010)*
10.2	First Amendment to the Amended and Restated 2002 Equity Incentive Plan, dated as of February 17,2010
10.3	Amended and Restated 2002 Equity Incentive Plan
10.4	Form of Performance Share Unit Award Agreement
10.5	Form of Restricted Share Award Agreement
10.6	Form of Restricted Stock Unit Award Agreement
10.7	Form of Director and Officer Indemnification Agreement
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Chief Executive Officer pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of Chief Financial Officer pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Press Release dated April 28, 2010

* Incorporated by reference.

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, thereunto duly authorized.

Asbury Automotive Group, Inc. (Registrant)

Date: April 29, 2010

By: /S/ CHARLES R. OGLESBY
Name: **Charles R. Oglesby**
Title: **Chief Executive Officer and President**

Date: April 29, 2010

By: /S/ CRAIG T. MONAGHAN
Name: **Craig T. Monaghan**
Title: **Senior Vice President and Chief Financial Officer (Principal Financial Officer)**

INDEX TO EXHIBITS

Exhibit Number	Description of Documents
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99.1	Press release dated April 28, 2010

* Incorporated by reference.

Exhibit 10.2

FIRST AMENDMENT TO
THE ASBURY AUTOMOTIVE GROUP, INC.
AMENDED AND RESTATED 2002 EQUITY INCENTIVE PLAN

THIS FIRST AMENDMENT TO THE ASBURY AUTOMOTIVE GROUP, INC. AMENDED AND RESTATED 2002 EQUITY INCENTIVE PLAN (this "Amendment"), made as of February 17, 2010 (the "Effective Date"), is made and adopted by Asbury Automotive Group, Inc., a Delaware corporation (the "Company"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Plan (as defined below).

WHEREAS, the Company maintains the Asbury Automotive Group, Inc. Amended and Restated 2002 Equity Incentive Plan (the "Plan"), as amended and restated effective March 25, 2009;

WHEREAS, pursuant to Section 7(a) of the Plan, the Plan may be amended by the Board of Directors of the Company from time to time; and

WHEREAS, the Company desires to amend the Plan as set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that the Plan be amended as follows, effective as of the date this Amendment is approved by the Company's Board of Directors:

1. Section 3(e) is hereby deleted from the Plan, current subsection "(f)" of Section 3 is hereby renumbered as "(e)" and is hereby amended and restated as follows:

"(e) To the extent permitted by applicable law or the rules of any Securities Exchange, the Board or Committee may from time to time delegate to a committee of one or more Independent Directors or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to Section 3; *provided*, *however*, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the Exchange Act, (ii) Covered Employees, or (iii) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; *provided*, *further*, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Section 162(m) of the Code, applicable securities laws (including, without limitation, Rule 16b-3 of the Exchange Act or any successor rule), and the rules of any Securities Exchange. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board or Committee may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegatee appointed under this Section 3(e) shall serve in such capacity at the pleasure of the Board and the Committee."

2. The following Section 9(e) is hereby added to the Plan, and current subsections "(e)" through "(r)" of Section 9 are hereby renumbered as subsections "(f)" through "(s)", respectively:

"(e) Full Value Award Vesting Limitations. Notwithstanding any other provision of the Plan to the contrary, Full Value Awards shall become vested over a period of not less than three years (or, in the case of vesting based upon the attainment of Performance Goals or other performance-based objectives, over a period of not less than one year measured from the commencement of the period over which performance is evaluated) following the date the Award is made; *provided*, *however*, that, notwithstanding the foregoing, (a) the Committee may lapse or waive such vesting restrictions upon the Participant's death, disability or retirement, or upon a Change of Control, and (b) Full Value Awards that result in the issuance of an aggregate of up to ten percent (10%) of the Shares available pursuant to Section 4(a) as of the date this Section 9(e) is effective may be granted to any one or more Participants without respect to such minimum vesting provisions."

3. All references to "Section 9(q)" in Section 6 of the Plan are hereby deleted and replaced with "Section 9(r)."

4. This Amendment shall be and is hereby incorporated in and forms a part of the Plan.

5. All other terms and provisions of the Plan shall remain unchanged except as specifically modified herein.

[*SIGNATURE PAGE FOLLOWS*]

I hereby certify that the foregoing Amendment was duly adopted by the Board of Directors of Asbury Automotive Group, Inc. on February 17, 2010.

Executed on this 17th day of February, 2010.

/s/ Elizabeth B. Chandler
Secretary

Amended and Restated 2002 Equity Incentive Plan
of
Asbury Automotive Group, Inc.
As Amended and Restated Effective February 17, 2010

Section 1. Purpose. The purposes of this Asbury Automotive Group, Inc. Amended and Restated 2002 Equity Incentive Plan are to promote the interests of Asbury Automotive Group, Inc. and its shareholders by (i) attracting and retaining exceptional directors, officers and other key employees (including prospective officers and key employees) of the Company and its Subsidiaries and (ii) enabling such individuals to participate in the long-term growth and financial success of the Company.

Section 2. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

"Award" shall mean any award that is permitted under Section 6 and granted under the Plan.

"Award Agreement" shall mean any written or electronic agreement, contract, or other instrument or document evidencing any Award, which may, but need not, require execution or acknowledgment by a Participant.

"Board" shall mean the Board of Directors of the Company.

"Change of Control" shall (i) have the meaning set forth in an Award Agreement, or (ii) if there is no definition set forth in an Award Agreement, mean an event or series of events, not including any events occurring prior to or in connection with an initial public offering of Shares (including the occurrence of such initial public offering), by which:

(A) during any period of 12 consecutive calendar months, individuals whose appointment or election to the Board was endorsed by a majority of the Board before the date of the appointment or election shall cease to constitute a majority of the Board;

(B) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its Subsidiaries (a "Reorganization") or sale or other disposition of all or substantially all of the assets of the Company to an entity that is not an affiliate of the Company (a "Sale"), that in each case requires the approval of the Company's stockholders under the law of the Company's jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of the Company in such Reorganization or Sale), unless immediately following such Reorganization or Sale 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (i) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of the Company (the "Surviving Entity"), or (ii) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity"), is represented by the Company's outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization or Sale;

(C) any "person" (as such term is defined in Section 13(d) of the Exchange Act (or any successor section thereto)), corporation or other entity (other than (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate, or (iii) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto)), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then-outstanding securities.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Committee" shall mean the compensation committee of the Board or a subcommittee thereof, or such other committee of the Board as may be designated by the Board to administer the Plan. The Committee shall consist solely of two or more Independent Directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as both a "non-employee director" as defined by Rule 16b-3 of the Exchange Act or any successor rule, an "outside director" for purposes of Section 162(m) of the Code and an "independent director" under the rules of any Securities Exchange; provided that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the foregoing requirements for membership or other requirements provided in any charter of the Committee.

"Company" shall mean Asbury Automotive Group, Inc., together with any successor thereto.

"Covered Employee" shall mean any officer or other employee (as determined in accordance with Section 3401(c) of the Code and the Treasury Regulations thereunder) of the Company or of any Affiliate who is, or could be, a "covered employee" within the meaning of Section 162(m) of the Code.

"Deferred Share Unit" shall mean a deferred share unit Award granted under the Plan, which represents an unfunded and unsecured promise to deliver Shares in accordance with the terms of the applicable Award Agreement.

"Equity Restructuring" shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the Shares (or other securities of the Company) or the share price thereof and causes a change in the per share value of the Shares underlying outstanding Awards.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exercise Price" shall mean (i) in the case of Options, the price specified in the applicable Award Agreement as the price-per-Share at which such Share can be purchased pursuant to the Option or (ii) in the case of SARs, the price specified in the applicable Award Agreement as the reference price-per-Share used to calculate the amount payable to the Participant.

"Fair Market Value" shall mean, (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee and (B) with respect to the Shares, as of any date, (i) the closing sales price of the Shares as reported on the composite tape for securities traded on the New York Stock Exchange for such date (or if not then trading on the New York Stock Exchange, the closing sales price of the Shares on the stock exchange or over-the-counter market on which the Shares are principally trading on such date), or, if there were no sales on such date, on the closest preceding date on which there were sales of Shares or (ii) in the event there shall be no public market for the Shares on such date, the fair market value of the Shares as determined in good faith by the Committee.

"Full Value Award" shall mean any Award other than (i) an Option, (ii) an SAR or (iii) any other Award for which the Participant pays the intrinsic value existing as of the date of grant (whether directly or by foregoing a right to receive a payment from the Company or any Subsidiary).

"Incentive Stock Option" shall mean a right to purchase Shares from the Company that (i) is granted under Section 6 of the Plan and (ii) is intended to qualify for special Federal income tax treatment pursuant to Section 421 and 422 of the Code, as now constituted or subsequently amended, or pursuant to a successor provision of the Code, and which is so designated in the applicable Award Agreement.

"Independent Director" shall mean a member of the Board who is neither (i) an employee of the Company nor (ii) an employee of any of the Company's Affiliates.

"Nonqualified Stock Option" shall mean a right to purchase Shares from the Company that (i) is granted under Section 6 of the Plan and (ii) is not an Incentive Stock Option.

"Option" shall mean an Incentive Stock Option or a Nonqualified Stock Option or both, as the context requires.

"Participant" shall mean any director, officer or other key employee (including any prospective officer or key employee) of the Company or its Subsidiaries eligible for an Award under Section 5 of the Plan and selected by the Committee to receive an Award under the Plan.

"Performance Compensation Award" shall mean any Award designated by the Committee as a Performance Compensation Award pursuant to Section 6(g) of the Plan.

"Performance Criteria" shall mean the criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance Compensation Award under the Plan.

"Performance Formula" shall mean, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

"Performance Goal" shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria.

"Performance Period" shall mean the one or more periods of time as the Committee may select over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Compensation Award.

"Performance Share Unit" shall mean a performance share unit Award granted under the Plan, which represents an unfunded and unsecured promise to deliver Shares, cash, other securities, other Awards or other property upon the attainment of Performance Goals in accordance with the terms of the applicable Award Agreement.

"Permitted Transferee" shall mean, with respect to a Participant, any "family member" of the Participant, as defined under the instructions to use of the Form S-8 Registration Statement under the Securities Act of 1933, as amended.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

"Plan" shall mean this Asbury Automotive Group, Inc. Amended and Restated 2002 Equity Incentive Plan.

"Repricing" shall mean (i) lowering the Exercise Price of an Option or SAR after it has been granted, (ii) cancellation of an Option or an SAR in exchange for cash or another Award when the Option or SAR price per share exceeds the Fair Market Value of the underlying Shares, and (iii) any other action with respect to an Option or an SAR that is treated as a repricing under (A) generally accepted accounting principles or (B) any applicable stock exchange rules.

"Restricted Share" shall mean a Share delivered under the Plan that is subject to certain transfer restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the applicable Award Agreement.

"Restricted Share Unit" shall mean a restricted share unit Award granted under the Plan, which represents an unfunded and unsecured promise to deliver Shares, cash, other securities, other Awards or other property in accordance with the terms of the applicable Award Agreement.

"Rule 16b-3" shall mean Rule 16b-3 as promulgated and interpreted by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SAR" shall mean a stock appreciation right granted under the Plan, which represents an unfunded and unsecured promise to deliver Shares, cash, other securities, other Awards or other property equal in value to the excess, if any, of the Fair Market Value per Share over the Exercise Price per Share of the SAR, subject to the terms of the applicable Award Agreement.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

"Securities Exchange" shall mean any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

"Shares" shall mean the common shares of the Company, $0.01 par value, or such other securities of the Company (i) into which such common shares shall be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or other similar transaction or (ii) as may be determined by the Committee pursuant to Section 4(b).

"Subsidiary" shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

"Substitute Awards" shall have the meaning specified in Section 4(c).

Section 3. Administration.

(a) The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant and designate those Awards which shall constitute Performance Compensation Awards, (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Awards; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award (subject to Section 162(m) of the Code with respect to Performance Compensation Awards) shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret, administer, reconcile any inconsistency, correct any default and/or supply any omission in the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (ix) establish and administer Performance Goals and certify whether, and to what extent, they have been attained; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, and any shareholder.

(c) No member of the Board, the Committee or any employee of the Company (each such person, a "Covered Person") shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's Restated Certificate of Incorporation or Restated Bylaws, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

(d) With respect to any Performance Compensation Award granted under the Plan, the Plan shall be interpreted and construed in accordance with Section 162(m) of the Code.

(e) To the extent permitted by applicable law or the rules of any Securities Exchange, the Board or Committee may from time to time delegate to a committee of one or more Independent Directors or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to Section 3; *provided*, *however*, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the Exchange Act, (ii) Covered Employees, or (iii) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; *provided, further*, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Section 162(m) of the Code, applicable securities laws (including, without limitation, Rule 16b-3 of the Exchange Act or any successor rule), and the rules of any Securities Exchange. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board or Committee may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegatee appointed under this Section 3(e) shall serve in such capacity at the pleasure of the Board and the Committee.

Section 4. Shares Available for Awards.

(a) Shares Available. Subject to adjustment as provided in Section 4(b) and Section 7(c), (i) the aggregate number of Shares that may be delivered pursuant to Awards granted under the Plan shall be the sum of (x) 2,575,000 Shares and (y) any Shares which remained available for delivery under the Plan immediately prior to the effective date of shareholder approval of this amendment and restatement of the Plan; (ii) the maximum number of Shares with respect to which Options or SARs (or any other Award that is not a Full Value Award) may be granted to any Participant during a rolling 36-month period (measured from the date of any grant) shall be 1,500,000; (iii) the maximum number of Shares with respect to which Full Value Awards may be granted to any Participant during a rolling 36-month period (measured from the date of any grant) shall be 750,000; and (iv) the aggregate number of Shares with respect to which Incentive Stock Options may be granted shall be no more than the aggregate number of Shares authorized for delivery under the foregoing clause (i). If, after the effective date of shareholder approval of this amendment and restatement of the Plan, any Award granted under the Plan is forfeited, or otherwise expires, terminates, lapses or is canceled for any reason, or an Award is settled in cash without the delivery of Shares to the Participant, then the Shares covered by such Award shall again become available to be delivered pursuant to Awards under the Plan. Any Shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award, and any Shares subject to SARs that are not issued in connection with the stock settlement of such SARs on exercise thereof, shall again become available to be delivered pursuant to Awards under the Plan. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available to be delivered pursuant to Awards under the Plan.

Notwithstanding the provisions of this Section 4(a), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Participant during any calendar year under the Plan, and all other plans of the Company and any subsidiary or parent corporation thereof (each as defined in Section 424(f) and (e) of

the Code, respectively), exceeds $100,000, the Options shall be treated as Nonqualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the Fair Market Value of stock shall be determined as of the time the respective options were granted.

(b) Adjustments.

(i) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event, other than an Equity Restructuring, affects the Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted (including, but not limited to, adjustments of the limitations in Section 4(a)) and (ii) the terms of any outstanding Award, including (A) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (B) the Exercise Price with respect to any Award.

(ii) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Section 4(b)(i) or Section 7(c):

(A) The number and type of securities or other property subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted; and/or

(B) The Committee shall make such equitable adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 4(a)). The adjustments provided under this Section 4(b)(ii) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company.

(c) Substitute Awards. Awards may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines ("Substitute Awards"). The number of Shares underlying any Substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan; provided, however, that Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding awards previously granted by an entity that is acquired by the Company or any of its Subsidiaries or Affiliates through a merger or acquisition shall not be counted against the aggregate number of Shares available for Awards under the Plan. In the event that an entity acquired by the Company or any of its Subsidiaries or Affiliates or with which the Company or any of its Subsidiaries or Affiliates combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date awards could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Affiliates immediately prior to such acquisition or combination.

(d) Sources of Shares Deliverable Under Awards. Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

Section 5. Eligibility. Any director, officer or other key employee (including any prospective officer or key employee) of the Company or any of its Subsidiaries (including any prospective officer or key employee) shall be eligible to be designated a Participant.

Section 6. Awards.

(a) Types of Awards. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), Awards may be made under the Plan in the form of (i) Options, (ii) SARs, (iii) Restricted Shares, (iv) Restricted Share Units, (v) Deferred Share Units, (vi) Performance Share Units and (vii) other equity-based or equity-related Awards that the Committee determines are consistent with the purpose of the Plan and the interests of the Company. Awards may be granted in tandem with other Awards. No Incentive Stock Option (other than an Incentive Stock Option that may be assumed or issued by the Company in connection with a transaction to which Section 424(a) of the Code applies) may be granted to a person who is not eligible to receive an Incentive Stock Option under the Code.

(b) Options.

(i) Grant. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), the Committee shall have sole and complete authority to determine the Participants to whom Options shall be granted, the number of Shares to be covered by each Option, whether the Option will be an Incentive Stock Option or a Nonqualified Stock Option, and the conditions and limitations applicable to the exercise of the Option. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code and any regulations related thereto, as may be amended from time to time. All Options granted under the Plan shall be Nonqualified Stock Options unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. If an Option is intended to be an Incentive Stock Option, and if for any reason such Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to Nonqualified Stock Options.

(ii) Exercise Price. The Exercise Price of each Share covered by an Option shall be set by the Committee, but, except in the case of Substitute Awards, shall not be less than 100% of the Fair Market Value of such Share on the date the Option is granted (or, in the case of Incentive Stock Options, on the date the Incentive Stock Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Options are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code. Repricing of Options granted under the Plan shall not be permitted without prior shareholder approval, and any action that would be deemed to result in a Repricing of an Option shall be deemed null and void if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action.

(iii) Exercise. Each Option shall be vested and exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. Except as otherwise specified by the Committee in the Award Agreement, Options shall become vested and exercisable with respect to one-third of the Shares subject to such Options on each of the first three anniversaries of the date of grant. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of Federal or state securities laws, as it may deem necessary or advisable.

(iv) Payment.

(A) No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate Exercise Price therefor is received by the Company. Such payment may be made in cash, or its equivalent, or (x) by exchanging Shares owned by the Participant (which are not the subject of any pledge or other security interest), (y) subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate Exercise Price, or (z) subject to such rules as may be established by the Committee, by electing to have the Company withhold Shares otherwise deliverable upon the exercise of the Option, or by a combination of the foregoing; provided that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company as of the date of such tender is at least equal to such aggregate Exercise Price.

(B) Wherever in this Plan or any Award Agreement a Participant is permitted to pay the Exercise Price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

(v) Expiration. Each Option shall expire immediately, without any payment, upon the earlier of (A) the tenth anniversary of the date the Option is granted, or (B) except as otherwise set forth in the applicable Award Agreement, the date the Participant who is holding the Option ceases to be employed by the Company or one of its Subsidiaries. In no event may an Option be exercisable after the tenth anniversary of the date the Option is granted. An Award Agreement may provide that if on the last day of the term of an Option the Fair Market Value of one Share exceeds the Exercise Price of the Option, the Participant has not exercised the Option and the Option has not expired, the Option shall be deemed to have been exercised by the Participant on such day with payment made by withholding Shares otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Participant the number of Shares for which the Option was deemed exercised, less the number of Shares required to be withheld for the payment of the total purchase price and required withholding taxes; provided, however, any fractional Share shall be settled in cash.

(c) SARs.

(i) Grant. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), the Committee shall have sole and complete authority to determine the Participants to whom SARs shall be granted, the number of Shares to be covered by each SAR Award, the Exercise Price thereof and the conditions and limitations applicable to the exercise thereof. SARs may be granted in tandem with another Award, in addition to another Award or freestanding and unrelated to another Award. SARs granted in tandem with or in addition to an Award may be granted either at the same time as the Award or at a later time.

(ii) Exercise Price. The Exercise Price of each Share covered by an SAR shall be set by the Committee, but, except in the case of Substitute Awards, shall not be less than 100% of the Fair Market Value of such Share on the date the SAR is granted; provided that, to the extent permitted under Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, the Exercise Price of each Share covered by a tandem SAR that is granted subsequent to the grant date of the related Option may be less than 100% of the Fair Market Value of such Share on the date the tandem SAR is granted (but in no event less than the Exercise Price of the related Option). SARs are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code. Repricing of SARs granted under the Plan shall not be permitted without prior shareholder approval, and any action that would be deemed to result in a Repricing of an SAR shall be deemed null and void if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action.

(iii) Exercise and Payment. An SAR shall entitle the Participant to receive an amount equal to the excess, if any, of the Fair Market Value of a Share on the date of exercise of the SAR over the Exercise Price thereof. The Committee shall determine, in its sole discretion, whether an SAR shall be settled in cash, Shares, other securities, other Awards or other property, or a combination of any of the foregoing.

(iv) Other Terms and Conditions. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine, at or after the grant of an SAR, the term, methods of exercise, methods and form of settlement, and any other terms and conditions of any SAR. Any such determination by the Committee may be changed by the Committee from time to time and may govern the exercise of SARs granted or exercised thereafter. The Committee may impose such conditions or restrictions on the exercise of any SAR as it shall deem appropriate or desirable. In no event may an SAR be exercisable after the tenth anniversary of the date the SAR is granted. An Award Agreement may provide that if on the last day of the term of an SAR the Fair Market Value of one Share exceeds the Exercise Price of the SAR, the Participant has not exercised the SAR or the tandem Option (if applicable), and neither the SAR nor the Option has expired, the SAR shall be deemed to have been exercised by the Participant on such day. In such event, the Company shall make payment to the Participant in accordance with this Section 6(c), reduced by the number of Shares (or cash) required for withholding taxes; provided, however, any fractional Share shall be settled in cash.

(d) Restricted Shares and Restricted Share Units.

(i) Grant. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), the Committee shall have sole and complete authority to determine the Participants to whom Restricted Shares and Restricted Share Units shall be granted, the number of Restricted Shares and Restricted Share Units to be granted to each Participant, the duration of the period during which, and the conditions, if any, under which, the Restricted Shares and Restricted Share Units may be forfeited to the Company, and the other terms and conditions of such Awards.

(ii) Transfer Restrictions. Restricted Shares and Restricted Share Units may not be sold, assigned, transferred, pledged or otherwise encumbered except, in the case of Restricted Shares, as provided in the Plan or the applicable Award Agreement. Certificates issued in respect of Restricted Shares shall be registered in the name of the Participant and deposited by such Participant, together with a stock power endorsed in blank, with the Company or such other custodian as may be designated by the Committee or the Company, and shall be held by the Company or other custodian, as applicable, until such time as the restrictions applicable to such Restricted Shares lapse. Upon the lapse of the restrictions applicable to such Restricted Shares, the Company or other custodian, as applicable, shall deliver such certificates to the Participant or the Participant's legal representative.

(iii) Payment. Each Restricted Share Unit shall have a value equal to the Fair Market Value of a Share. Restricted Share Units shall be paid in cash, Shares, other securities, other Awards or other property, as determined in the sole discretion of the Committee, upon the lapse of restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement, but in any event within the period required by Section 409A of the Code such that it qualifies as a "short-term deferral" pursuant to Section 1.409A-1(b)(4) of the Department of Treasury regulations, unless the Committee shall determine that any such Award shall be deferred.

(iv) Dividends. Dividends paid on any Restricted Shares may be paid directly to the Participant, withheld by the Company subject to vesting of the Restricted Shares pursuant to the terms of the applicable Award Agreement, or may be reinvested in

additional Restricted Shares or in additional Restricted Share Units, as determined by the Committee in its sole discretion; provided that any such dividends on Restricted Shares designated as a Performance Compensation Award shall be withheld by the Company subject to vesting of the Restricted Shares pursuant to the terms of the applicable Award Agreement, and, only after such Restricted Shares have vested pursuant to the terms of the applicable Award Agreement, any dividends so withheld may be paid directly to the Participant or may be reinvested in additional Restricted Shares or in additional Restricted Share Units, as determined by the Committee in its sole discretion.

(e) Other Stock-Based Awards. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), the Committee shall have the sole and complete authority to grant to Participants other equity-based or equity-related Awards (including Deferred Share Units and Performance Share Units) in such amounts and subject to such terms and conditions as the Committee shall determine; provided that any such Awards must comply, to the extent deemed desirable by the Committee, with Rule 16b-3 and applicable law.

(f) Dividend Equivalents. Subject to the provisions of the Plan (including, without limitation, Section 9(r)), in the sole and complete discretion of the Committee, an Award, other than an Option or SAR, may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Committee in its sole discretion, including, without limitation, payment directly to the Participant, withholding of such amounts by the Company subject to vesting of the Award, or reinvestment in additional Shares, Restricted Shares, Restricted Share Units or other Awards; provided that any such dividends or dividend equivalents with respect to Restricted Shares or Restricted Share Units designated as a Performance Compensation Award shall be withheld by the Company subject to vesting of the Restricted Shares or Restricted Share Units pursuant to the terms of the applicable Award Agreement, and, only after such Restricted Shares have vested pursuant to the terms of the applicable Award Agreement, any dividends or dividend equivalents so withheld may be paid directly to the Participant or may be reinvested in additional Shares, Restricted Shares, Restricted Share Units or other Awards, as determined by the Committee in its sole discretion.

(g) Performance Compensation Awards.

(i) General. The Committee shall have the authority, at the time of grant of any Award, to designate such Award (other than Options and SARs) as a Performance Compensation Award in order to qualify such Award as "qualified performance-based compensation" under Section 162(m) of the Code. Options and SARs granted under the Plan shall not be included among Awards that are designated as Performance Compensation Awards under this Section 6(g).

(ii) Eligibility. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 6(g). Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(iii) Discretion of Committee with Respect to Performance Compensation Awards. With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) that is (are) to apply to the Company or any of its Subsidiaries, Affiliates, divisions or operational units, or any combination of the foregoing, and the Performance Formula. Within the first 90 days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence and record the same in writing.

(iv) Performance Criteria. Notwithstanding the foregoing, the Performance Criteria that will be used to establish the Performance Goal(s) shall be based on the attainment of specific levels of performance of the Company or any of its Subsidiaries, Affiliates, divisions or operational units, or any combination of the foregoing, and shall be limited to the following: (1) net income before or after taxes, (2) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization), (3) operating income, (4) earnings per share, (5) return on shareholders' equity, (6) return on investment, (7) return on assets, (8) level or amount of acquisitions, (9) share price, (10) profitability/profit margins, (11) market share, (12) revenues or sales (based on units and/or dollars), (13) costs, (14) cash flow, (15) working capital, (16) objective measures of customer satisfaction, (17) objective measures of employee satisfaction, (18) expense levels and expense ratios, (19) gross margin and gross margin ratios, (20) employee turnover, (21) implementation of systems, (22) completion of projects, (23) level or amount of divestitures, (24) goals related to capitalization or restructuring of the balance sheet, and (25) goals related to management or expense restructuring. The Performance Criteria may be applied on an absolute basis and/or be relative to one or

more peer companies or indices or any combination thereof. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of the applicable Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period.

(v) Performance Goals. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if shorter, within the maximum period allowed under Section 162(m) of the Code), or any time thereafter (but only to the extent the exercise of such authority after such 90-day period (or such shorter period, if applicable) would not cause the Performance Compensation Awards granted to any Participant for the Performance Period to fail to qualify as "qualified performance-based compensation" under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code (1) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development affecting the Company, or any of its Affiliates, Subsidiaries, divisions or operating units (to the extent applicable to such Performance Goal) or (2) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company or any of its Affiliates, Subsidiaries, divisions or operating units (to the extent applicable to such Performance Goal), or the financial statements of the Company or any of its Affiliates, Subsidiaries, divisions or operating units (to the extent applicable to such Performance Goal), or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles, law or business conditions.

(vi) Payment of Performance Compensation Awards.

(A) Condition to Receipt of Payment. A Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period. Notwithstanding the foregoing, in the discretion of the Committee, Performance Compensation Awards may be paid to Participants who have retired or whose employment has terminated after the beginning of the Performance Period for which a Performance Compensation Award is made, or to the designee or estate of a Participant who died prior to the last day of a Performance Period, but not unless and until the Committee has certified attainment of the relevant Performance Goal(s) in accordance with Section 6(g)(vi)(C).

(B) Limitation. A Participant shall be eligible to receive payments in respect of a Performance Compensation Award only to the extent that (1) the Performance Goal(s) for such period are achieved and certified by the Committee in accordance with Section 6(g)(vi)(C) and (2) the Performance Formula as applied against such Performance Goal(s) determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(C) Certification. Following the completion of a Performance Period, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate and certify in writing that amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period and, in so doing, may apply negative discretion as authorized by Section 6(g).

(D) Negative Discretion. In determining the actual size of an individual Performance Compensation Award for a Performance Period, the Committee may, in it sole judgment, reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period.

(E) Timing of Award Payments. The Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively possible following completion of the certifications required by Section 6(g), but in any event within the period required by Section 409A of the Code such that it qualifies as a "short-term deferral" pursuant to Section 1.409A-1(b)(4) of the Department of Treasury regulations, unless the Committee shall determine that any Performance Compensation Award shall be deferred.

(F) Maximum Award Payable. Notwithstanding any provision contained in this Plan to the contrary, the maximum Performance Compensation Award that may be granted to any one Participant under the Plan during a rolling 36-month period (measured from the date of any grant) is 1,500,000 Shares or, in the event the Performance Compensation Award is paid in cash, other securities, other Awards or other property, the equivalent cash value of 1,500,000 Shares on the last day of the Performance Period to which such Award relates, in each case subject to adjustment as provided in Section 4(b). Furthermore, any Performance Compensation Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase in a manner prohibited by Section 162(m) of the Code.

(G) Discretion. In no event shall any discretionary authority granted to the Committee by the Plan be used to (x) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained, (y) increase a Performance Compensation Award for any Participant at any time after the first 90 days of the Performance Period (or, if shorter, the maximum period allowed under Section 162(m)) or (z) increase a Performance Compensation Award above the maximum amount payable under Sections 4(a) or 6(g) of the Plan.

Section 7. Amendment and Termination.

(a) Amendments to the Plan. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval, if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, the rules of any Securities Exchange), and no amendment to the definition of Repricing shall be made without shareholder approval; and provided further that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that no such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination (including, without limitation, any Repricing) shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Award (including, without limitation, the rules of any Securities Exchange); and provided further that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(c) Adjustment of Awards. Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof or the occurrence of a Change of Control), other than an Equity Restructuring, affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law (i) whenever the Committee, in its sole discretion, determines that such adjustments are appropriate or desirable, including, without limitation, providing for a substitution or assumption of Awards, accelerating the exercisability of, lapse of restrictions on, or termination of, Awards or providing for a period of time for exercise prior to the occurrence of such event and (ii) if deemed appropriate or desirable by the Committee, in its sole discretion, by providing for a cash payment to the holder of an Award in consideration for the cancellation of such Award, including, in the case of an Option or SAR, a cash payment to the holder of such Option or SAR in consideration for the cancellation of such Option or SAR in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the Shares subject to the Option or SAR over the aggregate Exercise Price of such Option or SAR (it being understood that, in such event, any Option or SAR having a per Share Exercise Price equal to, or in excess of, the Fair Market Value of a Share subject to such Option or SAR may be canceled and terminated without any payment or consideration therefor); provided, however, that no adjustment pursuant to this Section 7(c) shall be authorized to the extent that such authority or adjustment would cause an Award designated by the Committee as a Performance Compensation Award under Section 6(g) of the Plan to fail to qualify as "qualified performance-based compensation" under Section 162(m) of the Code.

In the event of (i) a merger of the Company with or into another corporation, (ii) a merger of any Subsidiary with or into another corporation that requires the approval of the Company's stockholders under the law of the Company's jurisdiction of organization, or (iii) the sale or disposition of substantially all of the assets of the Company, each outstanding Option shall either continue in effect, be assumed or an equivalent option substituted therefor by the successor corporation or a "parent corporation" (as defined in Section 424(e) of the Code) or "subsidiary corporation" (as defined in Section 424(f) of the Code) of the successor corporation, subject to any accelerated vesting in accordance with Section 8 hereof. In the event that the Option does not continue in effect or the successor corporation refuses to assume or substitute for the Option, the Participant shall fully vest in and have the right to exercise the Option as to all Shares subject to the Option, including Shares as to which it would not otherwise be vested or exercisable (to the extent not otherwise vested under Section 8 hereof). If an Option becomes fully vested and exercisable in lieu of continuation, assumption or substitution as set forth in this paragraph, the Company shall notify the Participant in writing or electronically that the Option shall be fully vested and exercisable for a period of fifteen (15) days from the date of such notice, or such shorter period as the Committee may determine to be reasonable, and the Option shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or sale or disposition of assets, the option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the merger or sale or disposition of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale or disposition of assets by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale or disposition of assets is not solely common stock of the successor corporation or its "parent corporation" or "subsidiary corporation", the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option, for each Share subject to the Option, to be solely common stock of the successor corporation or its "parent corporation" or "subsidiary corporation" equal in fair market value to the per share consideration received by holders of Shares in the merger or sale or disposition of assets.

Section 8. Change of Control. Unless otherwise provided in the applicable Award Agreement, in the event of a Change of Control after the date of the adoption of this Plan, (a) any outstanding Options and SARs then held by Participants that are unexercisable or otherwise unvested shall automatically be deemed exercisable or otherwise vested, as the case may be, as of immediately prior to such Change of Control and (b) all other outstanding Awards (i.e., other than Options and SARs) then held by Participants that are unexercisable, unvested or still subject to restrictions, forfeiture or satisfaction of Performance Goals, shall automatically be deemed exercisable or vested, all restrictions and forfeiture provisions related thereto shall lapse, and all Performance Goals shall be deemed to have been satisfied at the target level, as the case may be, as of immediately prior to such Change of Control.

Section 9. General Provisions.

(a) Nontransferability. Each Award (and any rights and obligations thereunder) shall be exercisable only by the Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative, and no Award (or any rights and obligations thereunder) may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. All terms and conditions of the Plan and all Award Agreements shall be binding upon any permitted successors and assigns. Notwithstanding the foregoing, the Committee, in its sole discretion, may determine to permit a Participant to transfer an Award other than an Incentive Stock Option to any one or more Permitted Transferees, subject to any state, federal, local or foreign tax and securities laws applicable to transferable Awards, and subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than by will or the laws of descent and distribution, (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Participant (other than the ability to further transfer the Award), and (iii) the Participant and the Permitted Transferee shall execute any and all documents requested by the Committee, including, without limitation documents to (x) confirm the status of the transferee as a Permitted Transferee, (y) satisfy any requirements for an exemption for the transfer under applicable federal, state and foreign securities laws and (z) evidence the transfer.

(b) No Rights to Awards. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

(c) Share Certificates. All certificates for Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) Withholding.

(i) A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(ii) Without limiting the generality of clause (i) above, a Participant may satisfy, in whole or in part, the foregoing withholding liability by delivery of Shares owned by the Participant (which are not subject to any pledge or other security interest) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Option a number of Shares with a Fair Market Value equal to such withholding liability. The number of Shares which may be so withheld shall be limited to the number of Shares which have a fair market value on the date of withholding equal to the aggregate amount of such liabilities not to exceed the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

(e) Full Value Award Vesting Limitations. Notwithstanding any other provision of the Plan to the contrary, Full Value Awards shall become vested over a period of not less than three years (or, in the case of vesting based upon the attainment of Performance Goals or other performance-based objectives, over a period of not less than one year measured from the commencement of the period over which performance is evaluated) following the date the Award is made; *provided, however*, that, notwithstanding the foregoing, (i) the Committee may lapse or waive such vesting restrictions upon the Participant's death, disability or retirement, or upon a Change of Control, and (ii) Full Value Awards that result in the issuance of an aggregate of up to ten percent (10%) of the Shares available pursuant to Section 4(a) as of the date this Section 9(e) is effective may be granted to any one or more Participants without respect to such minimum vesting provisions

(f) Award Agreements. Each Award hereunder shall be evidenced by an Award Agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including but not limited to the effect on such Award of the death, disability or termination of employment or service of a Participant, and the effect, if any, of such other events as may be determined by the Committee.

(g) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options restricted stock, shares and other types of Awards provided for hereunder (subject to shareholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(h) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or in any consulting relationship to, the Company or any Affiliate, nor shall it be construed as giving a Participant any rights to continued service on the Board. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(i) No Rights as Shareholder. No Participant or holder or beneficiary of any Award shall have any rights as a shareholder with respect to any Shares to be distributed under the Plan until he or she has become the holder of such Shares. In connection with each grant of Restricted Shares, the applicable Award Agreement shall specify if and to what extent the Participant shall not be entitled to the rights of a shareholder in respect of such Awards; provided, however, that Restricted Shares shall, unless otherwise provided in the Award Agreement, remain subject to the provisions of Section 6(d)(ii) and (iv). Except as otherwise provided in Section 4(b), Section 7(c) or the applicable Award Agreement, no adjustments shall be made for dividends or distributions on (whether ordinary or extraordinary, and whether in cash, Shares, other securities or other property), or other events relating to, Shares subject to an Award for which the record date is prior to the date such Shares are delivered or otherwise become vested.

(j) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

(k) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(l) Other Laws. The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal and any other applicable securities laws.

(m) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(n) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(o) Requirement of Consent and Notification of Election Under Section 83(b) of the Code or Similar Provision. No election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code) or under a similar provision of law may be made unless expressly permitted by the terms of the applicable Award Agreement or by action of the Committee in writing prior to the making of such election. If an Award recipient, in connection with the acquisition of Shares under the Plan or otherwise, is expressly permitted under the terms of the applicable Award Agreement or by such Committee action to make any such election and the Participant makes the election, the Participant shall notify the Committee of such election within ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code or other applicable provision.

(p) Requirement of Notification Upon Disqualifying Disposition Under Section 421(b) of the Code. If any Participant shall make any disposition of Shares delivered pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions) or any successor provision of the Code, such Participant shall notify the Company of such disposition within ten days thereof.

(q) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(r) Section 409A. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any Award may be subject to Section 409A of the Code, the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Section 409A of the Code.

(s) Forfeiture; Clawback. The Committee may, in its sole discretion, specify in the applicable Award Agreement that any realized gain with respect to Options or SARs and any realized value with respect to other Awards shall be subject to forfeiture or clawback, in the event of (i) a Participant's breach of any non-competition, non-solicitation, confidentiality or other restrictive covenants with respect to the Company or its Subsidiaries or (ii) a financial restatement that reduces the amount of bonus or incentive compensation previously awarded to a Participant that would have been earned had results been properly reported.

Section 10. Term of the Plan.

(a) Effective Date. The Plan shall be effective as of the date of its approval by the Board.

(b) Expiration Date. No Award shall be granted under the Plan after the tenth anniversary of the date the Plan is approved under Section 10(a). Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, nevertheless continue thereafter.

ASBURY AUTOMOTIVE GROUP, INC.
2002 EQUITY INCENTIVE PLAN

PERFORMANCE SHARE UNIT AWARD AGREEMENT

PERFORMANCE SHARE UNIT AWARD AGREEMENT UNDER THE ASBURY AUTOMOTIVE GROUP, INC. 2002 EQUITY INCENTIVE PLAN, dated as of the Grant Date, between Asbury Automotive Group, Inc., a Delaware Corporation (the "Company"), and the Grantee.

This Performance Share Unit Award Agreement (the "Award Agreement") sets forth the terms and conditions of an award of a number of performance share units ("PSUs" and, together with the terms and conditions of the award, the "Award") that are subject to the terms and conditions specified herein and that are granted to the Grantee under the Asbury Automotive Group, Inc. 2002 Equity Incentive Plan (the "Plan"). Each PSU represents the right to receive one share of the Company's common stock, $0.01 par value ("Share"), upon the vesting of such PSU.

The Grantee is given access to his or her own personal Smith Barney secure/password protected website at www.benefitaccess.com. The Grant Date, Vesting Information and number of PSUs to be issued to the Grantee pursuant to this Award are specified on this website.

SECTION 1. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms shall have the meanings set forth below:

"Cause" shall have the meaning set forth in any employment agreement then in effect between the Grantee, on the one hand, and the Company or any of its Affiliates, on the other hand, or, if not defined in any such agreement, "Cause" shall mean a finding by the Committee of any of the following: (a) the Grantee's being convicted of, or entering a plea of nolo contendere to, any crime that constitutes a felony or involves moral turpitude, (b) the Grantee's gross negligence or serious misconduct (including, without limitation, any criminal, fraudulent or dishonest conduct) that is injurious to the Company or any of its Affiliates, (c) the Grantee's material breach of the Grantee's employment or service contract with the Company or any of its Affiliates, (d) the Grantee's willful and continued failure to substantially perform the Grantee's duties with the Company and it's Affiliates or (e) the Grantee's material breach of a material written policy of the Company, in each case (with respect to clauses (b), (c), (d) and (e)) which is not corrected within 30 days after written notice from the Company. The determination of the existence of Cause shall be made by the Committee (as defined below) in good faith.

"Committee" shall mean the Compensation Committee of the Board, or such other committee of the Board as may be designated by the Board to administer the Plan.

"Determination Date" means the date, as determined by the Committee, on which the Committee determines whether and to what extent the Performance Goals with respect to the Award have been achieved; provided that such date shall be no later than March 15, 2011.

"Performance Commencement Date" means January 1, 2010.

"Performance Cycle" means calendar year 2010.

"Recoupment Policy" means that certain Recoupment Policy adopted by the Company on February 17, 2010, and attached as Exhibit B to the Company's Corporate Governance Guidelines.

SECTION 2. (a) Performance-Based Right to Payment. The number of PSUs that shall be issued pursuant to the Performance Award (as defined in Exhibit A) shall be determined based on the Company's achievement of Performance Goals. On the Determination Date, the Committee in its sole discretion shall determine whether and to what extent the Performance Goals as set forth on Exhibit A have been attained. Except as otherwise provided in Section 6 of this Award Agreement, the number of PSUs with respect to the Grantee's Performance Award shall be contingent on the attainment of the Performance Goals. Accordingly, except as otherwise provided in Section 6 of this Award Agreement, the Grantee shall not become entitled to the Performance Award subject to this Award Agreement unless and until the Committee determines that the Performance Goals have been attained. Upon such determination by the Committee and subject to the provisions of the Plan and this Award Agreement, the Grantee shall be entitled to the Performance Award as corresponds to the Performance Goals attained (as determined by the Committee in its sole discretion based on the formulae set forth in Exhibit A). Furthermore, pursuant to Section 4 (except as otherwise provided therein) and except as otherwise provided in Section 6 of this Award Agreement, in order to be entitled to vesting with respect to any Performance Award, the Grantee must be employed by the Company or an Affiliate on each applicable Vesting Date (as defined in Exhibit A), provided that, to the extent payments pursuant to this Award Agreement are attributable to Dividend Equivalents (as defined in Section 3), such payments shall be made in cash.

(b) Payment of Award. Payments in respect of any PSUs that vest in accordance herewith shall be made to the Grantee (or in the event of the Grantee's death, to his or her estate) in whole Shares. Payments in respect of any Dividend Equivalents shall be made in cash. The Committee shall determine the date on which payments pursuant to this Award Agreement shall be made (the "Payment Date"); provided that the Payment Date shall not be any earlier than the Determination Date. Notwithstanding anything herein to the contrary, the Payment Date shall be made as soon as administratively practicable after each Vesting Date or immediately prior to a Change in Control, as applicable, but in any event within the "short-term deferral" period pursuant to Section 1.409A-1(b)(4) of the Department of Treasury Regulations.

SECTION 3. Dividend Equivalents. Each PSU granted hereunder is hereby granted in tandem with a corresponding dividend equivalent ("Dividend Equivalent"), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the payment or forfeiture of the PSU to which it corresponds. Grantee shall be entitled to accrue and/or receive

payments equal to dividends declared, if any, on the Share underlying the PSU to which such Dividend Equivalent relates, payable in cash and subject to the vesting of the PSU to which it relates, at the time the Share underlying the PSU is paid pursuant to Section 2(b) hereof. Dividend Equivalents shall not entitle the Grantee to any payments relating to dividends declared after the earlier to occur of the payment or forfeiture of the PSU underlying such Dividend Equivalent. Dividend Equivalents and any amounts that may become distributable in respect thereof shall be treated separately from the PSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Internal Revenue Code of 1986, as amended.

SECTION 4. Forfeiture of Performance Awards. If the Grantee's employment with the Company and its Affiliates terminates prior to the Vesting Date, the Grantee's rights with respect to this Award Agreement shall immediately terminate, and the Grantee shall be entitled to no payments or benefits with respect thereto, unless the Committee, as permitted pursuant to the terms of the Plan, determines in its sole discretion otherwise (in which case any payment to be made to the Grantee pursuant to this Award Agreement shall be made to the Grantee on the Payment Date and, for the avoidance of doubt, within the period required by Section 409A of the Code, such that it qualifies as a "short-term deferral" pursuant to Section 1.409A-1(b)(4) of the Department of Treasury Regulations).

SECTION 5. Recoupment. Any payment made pursuant to the terms of this Award Agreement shall be subject to the Recoupment Policy, the provision of which are incorporated by reference to this Award Agreement and made a part hereof.

SECTION 6. Change of Control. In the event of a Change of Control after the Determination Date, any unvested PSUs, and corresponding Dividend Equivalents, with respect to the Performance Award shall vest, and the restrictions thereon shall lapse, immediately upon the occurrence of the Change of Control. In the event of a Change of Control after the Grant Date (as defined in Exhibit A) but prior to the Determination Date, the Committee shall determine the extent to which the Performance Goals have been achieved, based on data available from quarterly public filings with respect to the Performance Period (as defined in Exhibit A), and based on such information shall determine the Performance Award. Any unvested PSUs, and corresponding Dividend Equivalents, with respect to such Performance Award shall vest, and the restrictions thereon shall lapse, im immediately upon the occurrence of the Change of Control.

SECTION 7. Grant Subject to Plan Provisions. This Award is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and terms of this Award are subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the Company's shares, (c) capital or other changes of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe this Award pursuant to the terms of the Plan, and

its decisions shall be conclusive as to any questions arising hereunder. This Award is granted pursuant to Section 6(g) of the Plan and is intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code.

SECTION 8. Certain Rights as a Shareholder. The Grantee shall not have any rights or privileges of a shareholder with respect to the PSUs that may be issued and delivered to the Grantee or the Grantee's legal representative on the Payment Date pursuant to this Award.

SECTION 9. No Employment or Other Rights. The grant of this Award shall not confer upon the Grantee any right to be retained as a director, officer or employee of or to the Company or any of its Affiliates and shall not interfere in any way with the right of the Company and its Affiliates to terminate the Grantee's employment or service at any time. The right of the Company and its Affiliates to terminate at will the Grantee's employment or service at any time for any reason, free from any liability or any claim under the Plan or this Award Agreement, is specifically reserved unless otherwise expressly provided in the Plan or in this Award Agreement.

SECTION 10. Non-Transferability of Performance Awards. The Grantee's rights and interests under this Award Agreement may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee except, in the event of the Grantee's death, by shall or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

SECTION 11. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 12. Taxes, Consents, Stop Transfer Orders and Legends. (a) Taxes. The delivery of Shares and the payment of any Dividend Equivalents is conditioned on satisfaction of any applicable withholding taxes in accordance with Section 9(d) of the Plan. The Grantee is solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with this Award (including any taxes arising under Section 409A of the Code), and the Company shall not have any obligation to indemnify or otherwise hold the Grantee harmless from any or all of such taxes. The Committee shall have the discretion to unilaterally modify this Award in a manner (i) that it in good faith believes conforms with the requirements of Section 409A of the Code and (ii) for any distribution event that could be expected to violate Section 409A of the Code, in order to make the distribution only upon a "permissible distribution event" within the meaning of Section 409A of the Code (as determined by the Committee in good faith). The Committee shall have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award.

(b) Consents. The Grantee's rights in respect of Performance Awards are conditioned on the receipt to the full satisfaction of the Committee of (i) any required consents that the Committee may determine to be necessary or advisable (including, without limitation, the Grantee's consenting to the Company's supplying to any third party recordkeeper of the Plan such

personal information as the Committee deems advisable to administer the Plan) and (ii) the Grantee's making or entering into such written representations, warranties and agreements in connection with the acquisition of any Shares pursuant to this Award as the Committee may request in order to comply with applicable securities laws or this Award.

(c) Stop Transfer Orders and Legends. All certificates for Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to this Award shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Shares or other securities are then listed, and any federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

SECTION 13. Committee Discretion. Subject to the terms of the Plan, the Committee shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 14. Confidentiality. The Grantee hereby agrees to keep confidential, and to not disclose to anyone, the existence and terms of this Award Agreement (including the Performance Goals set forth on Exhibit A), except to the Grantee's immediate family and the Grantee's financial and legal advisors, or as may be required by law or ordered by a court with valid jurisdiction over such matter. The Grantee further agrees that any disclosure to the Grantee's immediate family and the Grantee's financial and legal advisors shall only be made after such individuals or entities acknowledge and agree to maintain the confidentiality of this Award Agreement and its terms.

SECTION 15. Applicable Law. The validity, construction, interpretation and effect of this Award Agreement shall be governed by and determined in accordance with the laws of the State of Delaware without giving effect to the conflict of laws provisions thereof.

SECTION 16. Notice.

(a) General. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company: Asbury Automotive Group, Inc.
2905 Premiere Parkway
Suite 300
Duluth, GA 30097
Attention: General Counsel
Fax : (678) 542-2701

If to the Grantee: At the then-current address shown on the payroll of the Company.

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above. Notwithstanding the above, the Company and its Affiliates may provide notice to the Grantee by e-mail or other electronic means to which the Grantee has regular access.

(b) Electronic Delivery of Plan Documents. The documents relating to the Plan and this Award (which may include but do not necessarily include any Plan prospectus, Award Agreement, or other related documents) may be delivered to the Grantee electronically. Such means of delivery may include but do not necessarily include the delivery of a link to the internet site of a third party involved in administering the Plan or to a Company intranet site, the delivery of documents to the Grantee at the e-mail address, if any, provided for the Grantee by the Company, or such other means of delivery determined at the Committee's discretion.

(c) Consent to Electronic Delivery. The Grantee acknowledges that he/she has read this Section 16 and consents to the electronic delivery of the Plan documents, as described in this Section 16. The Grantee understands that an e-mail account and appropriate hardware and software, including a computer or compatible cell phone and an internet connection, shall be required to access documents delivered by e-mail. The Grantee acknowledges that he/she may receive from the Company a paper copy of any documents delivered electronically at no cost if he/she provides written notice to the Company in the manner specified above. The Grantee further acknowledges that he/she shall be provided with a paper copy of any documents delivered to him/her electronically if electronic delivery fails. Similarly, the Grantee understands that he/she must provide the Company or any designated third party with a paper copy of any documents delivered by him/her electronically if electronic delivery fails. Also, the Grantee understands that his/her consent may be revoked or changed at any time if he/she provides written notice of such revised or revoked consent to the Company in the manner specified above. Finally, the Grantee understands that he/she is not required to consent to electronic delivery.

SECTION 17. Section 409A. This Award Agreement and the Award are intended to be exempt from the provisions of Section 409A of the Code and Department of Treasury Regulations and other interpretive guidance issued thereunder, as providing for any payments to be made within the applicable "short-term deferral" period (within the meaning of Section 1.409A-1(b)(4) of the Department of Treasury regulations) following the lapse of a "substantial risk of forfeiture" (within the meaning of Section 1.409A-1(d) of the Department of Treasury regulations). Notwithstanding any provision of this Award Agreement to the contrary, in the

event that the Committee determines that the Award may be subject to Section 409A of the Code, the Committee may adopt such amendments this Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Section 409A of the Code.

SECTION 18. Headings. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement, the Plan or any provision thereof.

SECTION 19. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair the Grantee's rights under this Award Agreement shall not to that extent be effective without the Grantee's consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the Performance Awards shall be subject to the provisions of Sections 6(g)(v) (including, without limitation, in connection with adjustments to the number or identity of peer companies), 4, 7(a) and 7(c) (including, without limitation, in connection with adjustments to the number or kinds of shares, security or other property subject to this Award Agreement) of the Plan.

Exhibit 10.5

ASBURY AUTOMOTIVE GROUP, INC.
AMENDED AND RESTATED
2002 EQUITY INCENTIVE PLAN

RESTRICTED SHARE AWARD AGREEMENT

RESTRICTED SHARE AWARD AGREEMENT UNDER THE ASBURY AUTOMOTIVE GROUP, INC. AMENDED AND RESTATED 2002 EQUITY INCENTIVE PLAN dated as of the Grant Date, between Asbury Automotive Group, Inc., a Delaware Corporation (the "Company"), and Grantee

This Restricted Share Award Agreement (this "Award Agreement") sets forth the terms and conditions of an award of shares (the "Award") of the Company's Common Stock, $0.01 par value ("Shares"), that are subject to certain restrictions on transfer and risks of forfeiture and other terms and conditions specified herein ("Restricted Shares") and that are granted to you under the Asbury Automotive Group, Inc. Amended and Restated 2002 Equity Incentive Plan (the "Plan").

SECTION 1. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

"Business Day" means a day that is not a Saturday, a Sunday or a day on which banking institutions are legally permitted to be closed in the City of New York.

"Disability" means a physical or mental disability or infirmity that prevents the performance by you of your duties in the course of your service lasting (or likely to last) for a continuous period of six months or longer. The determination of the existence of Disability shall be made by the Committee in good faith, and the Committee's determination shall be conclusive for purposes of this Award.

"Vesting Date" means any date on which your rights with respect to all or a portion of the Restricted Shares subject to this Award Agreement may become fully vested, and the restrictions set forth in this Award Agreement may lapse, as provided in Section 3(a) of this Award Agreement.

SECTION 2. The Plan. This Award is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and terms of this Award are subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or

listing of the Company's shares, (c) capital or other changes of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe this Award pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

SECTION 3. Vesting and Delivery. (a) Vesting. On each Vesting Date set forth below, your rights with respect to the number of Restricted Shares that corresponds to such Vesting Date, as specified in the chart below, shall become vested, and the restrictions set forth in this Award Agreement shall lapse, provided that you must be employed as of the applicable Vesting Date, except as otherwise determined by the Committee in its sole discretion.

Vesting Date	Number of Shares Vested
First anniversary of the Grant Date	33.33%
Second anniversary of the Grant Date	33.33%
Third anniversary of the Grant Date	33.34%

In the event of a Change of Control (as defined in the Plan) after the Grant Date, the Restricted Shares, to the extent then outstanding and unvested, shall automatically be deemed vested as of immediately prior to such Change of Control, as contemplated by Section 8 of the Plan. In the event your employment is terminated due to your (a) death or (b) Disability, the Restricted Shares, to the extent then outstanding and unvested, shall automatically be deemed vested as of the date of your termination by reason of such death or Disability. The Committee, in its sole discretion, may accelerate the vesting of all or any portion of the Restricted Shares, at any time and from time to time.

(b) Delivery of Shares. On or following the Grant Date, certificates issued in respect of Restricted Shares shall be registered in your name and deposited by you, together with a stock power endorsed in blank, with the Company or such other custodian as may be designated by the Committee or the Company, and shall be held by the Company or other custodian, as applicable, until such time, if any, as your rights with respect to such Restricted Shares become vested. Upon the vesting of your rights with respect to such Restricted Shares, the Company or other custodian, as applicable, shall deliver such certificates to you or your legal representative.

SECTION 4. Forfeiture of Restricted Shares. Unless the Committee determines otherwise or except as otherwise set forth in Section 3(a), if your rights with respect to any Restricted Shares or Retained Distributions (as defined below) awarded to you pursuant to this Award Agreement have not become vested prior to the date on which your employment is terminated, your rights with respect to such Restricted Shares or Retained Distributions shall immediately terminate, and you will be entitled to no further payments or benefits with respect thereto.

SECTION 5. Voting Rights; Dividend Equivalents. Until the forfeiture of any Restricted Shares pursuant to Section 4 above and subject to Sections 3 and 6 hereof, you shall have the right to vote such Restricted Shares, to receive and retain all regular cash dividends paid on such Restricted Shares and to exercise all other rights, powers and privileges of a holder of Shares with respect to such Restricted Shares; provided that the Company will retain custody of all distributions other than regular cash dividends ("Retained Distributions") made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions have been made, paid or declared have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account.

SECTION 6. Non-Transferability of Restricted Shares and Retained Distributions. Unless otherwise provided by the Committee in its discretion, Restricted Shares and Retained Distributions may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered except as provided in Section 9(a) of the Plan. Any purported assignment, alienation, pledge, attachment, sale or other transfer or encumbrance of Restricted Shares or Retained Distributions in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Taxes, Consents, Stop Transfer Orders and Legends. (a) Taxes. The vesting of any Shares pursuant to Section 3(a) and the delivery of Share certificates pursuant to Section 3(b) are conditioned on satisfaction of any applicable withholding taxes in accordance with Section 9(d) of the Plan. You are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with this Award Agreement (including any taxes arising under Section 409A of the Code), and the Company shall not have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes. The Committee shall have the discretion to unilaterally modify this Award Agreement in a manner that it in good faith believes conforms with the requirements of Section 409A of the Code for any distribution event that could be expected to violate Section 409A of the Code, in order to make the distribution only upon a "permissible distribution event" within the meaning of Section 409A of the Code (as determined by the Committee in good faith). The Committee shall have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award Agreement.

(b) Consents. Your rights in respect of the Restricted Shares are conditioned on the receipt to the full satisfaction of the Committee of (i) any required consents that the Committee may determine to be necessary or advisable (including, without limitation, your consenting to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan, (ii) your making or entering into such written representations, warranties and agreements in connection with the acquisition of any Shares pursuant to

this Award as the Committee may request in order to comply with applicable securities laws or this Award and (iii) a stock power endorsed by you in blank in accordance with Section 3(b).

(c) Stop Transfer Orders and Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. Subject to the terms of the Plan, the Committee shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Notice. Any notice to the Company provided for in this Stock Option Grant shall be addressed to the Company in care of the General Counsel, and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

SECTION 11. Section 409A. This Award Agreement and the Award are intended to be exempt from the provisions of Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, as providing for the transfer of restricted property as described in Section 1.409A-1(b)(6) of the Department of Treasury regulations. Notwithstanding any provision of this Award Agreement to the contrary, in the event that the Committee determines that the Award may be subject to Section 409A of the Code, the Committee may adopt such amendments this Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Section 409A of the Code.

SECTION 12. Headings. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof.

SECTION 13. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that any such waiver, amendment, alteration, suspension, discontinuance, cancelation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the Restricted Shares shall be subject to the provisions of Sections 6(d), 7(a) and 7(c) of the Plan).

Exhibit 10.6

ASBURY AUTOMOTIVE GROUP, INC.
AMENDED AND RESTATED
2002 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

GRANT NOTICE

Pursuant to this Restricted Stock Unit Grant Notice dated [_____] (including Appendix A hereto, the "Award Agreement"), Asbury Automotive Group, Inc., a Delaware corporation (the "Company") hereby grants Grantee, the following award of Restricted Stock Units ("RSUs") pursuant and subject to the terms and conditions of this Award Agreement and the Company's Amended and Restated 2002 Equity Incentive Plan (the "Plan"), the terms and conditions of which are hereby incorporated into this Award Agreement by reference. Each RSU is hereby granted in tandem with a corresponding Dividend Equivalent (as defined in Appendix A), as further detailed in Section 3 of Appendix A. Except as otherwise expressly provided herein, all capitalized terms used in this Award Agreement shall have the meanings provided in the Plan. Subject to the terms and conditions of this Award Agreement, the principal features of this award are as follows:

Number of RSUs:

Grant Date: [_____] (the "Grant Date")

Vesting of RSUs and Dividend Equivalents:

This award shall vest and become nonforfeitable as to one-third of the RSUs**,** and the corresponding Dividend Equivalents**,** subject hereto on each of the first, second and third anniversaries of the Grant Date, subject, in each case, to the Grantee's continued employment with the Company or a Subsidiary through each such anniversary (any date on which any RSUs and corresponding Dividend Equivalents vest in accordance herewith, a "Vesting Date").

The Grantee's signature below indicates the Grantee's agreement with and understanding that this award is subject to all of the terms and conditions contained in the Plan and in this Award Agreement (including Appendix A), and that, in the event that there are any inconsistencies between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall control. THE GRANTEE FURTHER ACKNOWLEDGES THAT THE PARTICIPANT HAS READ AND UNDERSTANDS THE PLAN AND THIS AGREEMENT, INCLUDING APPENDIX A HERETO, WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THIS GRANT OF RSUS AND DIVIDEND EQUIVALENTS.

ASBURY AUTOMOTIVE GROUP, INC.	GRANTEE
By: _____	_____
Name:	Name of Grantee
Title:	

APPENDIX A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

SECTION 1. Grant. The Company hereby grants to the Grantee, as of the Grant Date, an award of RSUs in the amount set forth in the Grant Notice to which this Appendix A is attached and corresponding Dividend Equivalents, subject to the terms and conditions contained in this Award Agreement and the Plan.

SECTION 2. RSUs. Each RSU that vests in accordance with the Award Agreement shall represent the right to receive payment, in accordance with Section 5 below, of one Share. Unless and until an RSU vests, the Grantee will have no right to payment in respect of any such RSU. Prior to actual payment in respect of any vested RSU, such RSU will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

SECTION 3. Dividend Equivalents. Each RSU granted hereunder is hereby granted in tandem with a corresponding dividend equivalent ("Dividend Equivalent"), which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the payment or forfeiture of the RSU to which it corresponds. Pursuant to each outstanding Dividend Equivalent, the Grantee shall be entitled to accrue and/or receive payments equal to dividends declared, if any, on the Share underlying the RSU to which such Dividend Equivalent relates, payable in cash and subject to the vesting of the RSU to which it relates, at the time the Share underlying the RSU is paid pursuant to Section 5 hereof. Dividend Equivalents shall not entitle the Grantee to any payments relating to dividends declared after the earlier to occur of the payment or forfeiture of the RSU underlying such Dividend Equivalent. Dividend Equivalents and any amounts that may become distributable in respect thereof shall be treated separately from the RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Internal Revenue Code of 1986, as amended.

SECTION 4. Vesting and Termination. The RSUs and corresponding Dividend Equivalents shall vest in accordance with the vesting schedule provided in the Grant Notice to which this Appendix A is attached. Upon a termination of Grantee's employment due to death or Disability, the RSUs and corresponding Dividend Equivalents, to the extent then outstanding and unvested, shall automatically vest on the date of termination.

SECTION 5. Payment. Payments in respect of any RSUs that vest in accordance herewith shall be made to the Grantee (or in the event of the Grantee's death, to his or her estate) in whole Shares. Payments in respect of any Dividend Equivalents shall be made in cash**.** The Company shall make such payments, subject to Section 15(b) below, as soon as administratively practicable after the earlier to occur of (i) each Vesting Date and (ii) the date of the Grantee's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Code, and Treasury Regulation Section 1.409A-1(h)) ("Separation from Service") with the Company and its Subsidiaries, but in any event within [thirty (30)] days after either such date, with the exact date determined in the sole discretion of the Company.

SECTION 6. Tax Withholding. The Company shall have the authority and the right to deduct or withhold, or to require the Grantee to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes (including the Grantee's employment tax obligations) required by law to be withheld with respect to any taxable event arising in connection with the issuance, vesting or payment of the RSUs and the Dividend Equivalents. The Committee may, in its sole discretion and in satisfaction of the foregoing requirement, allow the Grantee to elect to have the Company withhold Shares otherwise issuable under this Award Agreement (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld, provided, that the number of Shares which may be so withheld with respect to a taxable event arising in connection with the RSUs shall be limited to the number of shares which have a Fair Market Value on the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state and local income tax and payroll tax purposes that are applicable to such supplemental taxable income.

SECTION 7. Rights as Stockholder. Neither the Grantee nor any person claiming under or through the Grantee will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Grantee or any person claiming under or through the Grantee.

SECTION 8. Non-Transferability. The rights and privileges conferred hereby shall not be transferred, assigned, pledged or hypothecated by the Grantee in any way in favor of any party other than the Company or a Subsidiary (whether by operation of law or otherwise) and shall not be subjected to any lien, obligation or liability of the Grantee to any party other than the Company or a Subsidiary, other than by the laws of descent and distribution. Upon any attempt by the Grantee to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale by the Grantee under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby shall immediately become null and void. Notwithstanding the foregoing, the Company may assign any of its rights under this Award Agreement to single or multiple assignees and this Award Agreement shall inure to the benefit of the successors and assigns of the Company.

SECTION 9. Distribution of Stock. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to this Award Agreement unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All stock certificates delivered pursuant to this Award Agreement shall be subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any stock certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that the Grantee make such reasonable covenants, agreements, and representations as the Committee, in

its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require the Grantee to comply with any timing or other restrictions with respect to the settlement of any RSUs, including a window-period limitation, as may be imposed in the discretion of the Committee. Notwithstanding any other provision of this Award Agreement, unless otherwise determined by the Committee or required by any applicable law, rule or regulation, the Company shall not deliver to the Grantee any certificates evidencing Shares issued upon settlement of any RSUs under this Award Agreement and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

SECTION 10. No Effect on Service Relationship. Nothing in this Award Agreement or in the Plan shall confer upon the Grantee any right to serve or continue to serve as an Employee, Consultant or member of the Board.

SECTION 11. Severablility. In the event that any provision in this Award Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement, which shall remain in full force and effect.

SECTION 12. Tax Consultation. The Grantee understands that he or she may suffer adverse tax consequences in connection with the RSUs and/or Dividend Equivalents granted pursuant to this Award Agreement. The Grantee represents that the Grantee has consulted with any tax consultants that he or she deems advisable in connection with the RSUs and the Dividend Equivalents and that the Grantee is not relying on the Company for tax advice.

SECTION 13. Amendment. Except as provided in Section 15 below, this Award Agreement may only be amended, modified or terminated by a writing executed by the Grantee and by a duly authorized representative of the Company.

SECTION 14. Relationship to other Benefits. Neither the RSUs, the Dividend Equivalents nor payment in respect thereof shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary.

SECTION 15. Code Section 409A.

(a) General. To the extent that the Committee determines that any RSUs or Dividend Equivalents may not be exempt from or compliant with Code Section 409A, the Committee may amend this Award Agreement in a manner intended to comply with the requirements of Code Section 409A or an exemption therefrom (including amendments with retroactive effect), or take any other actions as it deems necessary or appropriate to (i) exempt the RSUs or Dividend Equivalents from Code Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the RSUs or the Dividend Equivalents, or (ii) comply with the requirements of Code Section 409A. To the extent applicable, this Award Agreement shall be interpreted in accordance with the provisions of Code Section 409A. Notwithstanding anything herein to the contrary, the Grantee expressly agrees and acknowledges that in the event that any taxes are imposed under Code Section 409A in respect of any

compensation or benefits payable to the Grantee, then (A) the payment of such taxes shall be solely the Grantee's responsibility, (B) neither the Company nor any of its past or present directors, officers, employees or agents shall have any liability for any such taxes and (C) the Grantee shall indemnify and hold harmless, to the greatest extent permitted under law, each of the foregoing from and against any claims or liabilities that may arise in respect of any such taxes.

(b) Potential Six-Month Delay. Notwithstanding anything to the contrary in this Award Agreement, no Shares (or other amounts) shall be paid to the Grantee during the 6-month period following the Grantee's Separation from Service to the extent that the Company determines that the Grantee is a "specified employee" (within the meaning of Code Section 409A) at the time of such Separation from Service and that paying such amounts at the time or times indicated in this Award Agreement would be a prohibited distribution under Code Section 409A(a)(2)(b)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such 6-month period (or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such additional taxes), the Company shall pay to the Grantee in a lump-sum all Shares that would have otherwise been payable to the Grantee during such 6-month period under this Award Agreement.

SECTION 16. Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Award Agreement regardless of the law that might be applied under principles of conflicts of laws.

SECTION 17. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

Exhibit 10.7

DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENT

This Director and Officer Indemnification Agreement, dated as of , 2010 (this "***Agreement***"), is made by and between Asbury Automotive Group, Inc., a Delaware corporation (the "***Company***"), and ("***Indemnitee***").

RECITALS:

A. Section 141 of the Delaware General Corporation Law provides that the business and affairs of a corporation shall be managed by or under the direction of its board of directors.

B. Pursuant to Sections 141 and 142 of the Delaware General Corporation Law, significant authority with respect to the management of the Company has been delegated to the officers of the Company.

C. By virtue of the managerial prerogatives vested in the directors and officers of a Delaware corporation, directors and officers act as fiduciaries of the corporation and its stockholders.

D. Thus, it is critically important to the Company and its stockholders that the Company be able to attract and retain the most capable persons reasonably available to serve as directors and officers of the Company.

E. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Delaware law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.

F. The Delaware courts have recognized that indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, secure in the knowledge that, if vindicated, the corporation will bear the expense of litigation and (2) encouraging capable women and men to serve as corporate directors and officers, secure in the knowledge that the corporation will absorb the costs of defending their honesty and integrity.

G. The number of lawsuits challenging the judgment and actions of directors and officers of Delaware corporations, the costs of defending those lawsuits, and the threat to directors' and officers' personal assets have all materially increased over the past several years, chilling the willingness of capable women and men to undertake the responsibilities imposed on corporate directors and officers.

H. Recent federal legislation and rules adopted by the Securities and Exchange Commission and the national securities exchanges have imposed additional disclosure and corporate governance obligations on directors and officers of public companies and have exposed such directors and officers to new and substantially broadened civil liabilities.

I. These legislative and regulatory initiatives have also exposed directors and officers of public companies to a significantly greater risk of criminal proceedings, with attendant defense costs and potential criminal fines and penalties.

J. Under Delaware law, a director's or officer's right to be reimbursed for the costs of defense of criminal actions, whether such claims are asserted under state or federal law, does not depend upon the merits of the claims asserted against the director or officer and is separate and distinct from any right to indemnification the director or officer may be able to establish, and indemnification of the director or officer against criminal fines and penalties is permitted if the director or officer satisfies the applicable standard of conduct.

K. Indemnitee is a director or officer of the Company and his or her willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify him or her in accordance with the principles reflected above, to the fullest extent permitted by the laws of the state of Delaware, and upon the other undertakings set forth in this Agreement.

L. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as a director or officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "***Constituent Documents***"), any change in the composition of the Company's Board of Directors (the "***Board***") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses (as defined in Section 1(f)) to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

M. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) ***"Change in Control"*** means the occurrence after the date of this Agreement of any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a ***"Person"***) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of the combined voting power of the then-outstanding Voting Stock of the Company; *provided*, *however*, that:

(A) for purposes of this Section 1(a)(i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition of Voting Stock of the Company directly from the Company that is approved by a majority of the Incumbent Directors, (2) any acquisition of Voting Stock of the Company by the Company or any Subsidiary, (3) any acquisition of Voting Stock of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, and (4) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 1(a)(iii) below;

(B) if any Person acquires beneficial ownership of 20% or more of the combined voting power of the then-outstanding Voting Stock of the Company as a result of a transaction described in clause (A)(1) of Section 1(a)(i) and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Company representing 1% or more of the then-outstanding Voting Stock of the Company, other than in an acquisition directly from the Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition shall be deemed to constitute a Change in Control;

(C) a Change in Control will not be deemed to have occurred if a Person acquires beneficial ownership of 20% or more of the Voting Stock of the Company as a result of a reduction in the number of shares of Voting Stock of the Company outstanding unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock of the Company representing 1% or more of the then-outstanding Voting Stock of the Company, other than in an acquisition directly from the Company that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; and

(D) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired beneficial ownership of 20% or more of the Voting Stock of the Company inadvertently, and such Person divests as promptly as practicable a sufficient number of shares so that such Person beneficially owns less than 20% of the Voting Stock of the Company, then no Change in Control shall have occurred as a result of such Person's acquisition; or

(ii) a majority of the Directors are not Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation, or other transaction (each, a ***"Business Combination"***), unless, in each case, immediately following such Business Combination (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more

than 60% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), (B) no Person (other than the Company, such entity resulting from such Business Combination, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination, and (C) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 1(a)(iii).

(v) For purposes of this Section 1(a) and as used elsewhere in this Agreement, the following terms shall have the following meanings:

(A) "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

(B) ***"Incumbent Directors"*** means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided*, *however*, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(C) ***"Subsidiary"*** means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(D) ***"Voting Stock"*** means securities entitled to vote generally in the election of directors (or similar governing bodies).

(b) ***"Claim"*** means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other (including, without limitation, any subpoena or search warrant issued in connection with any of the foregoing), and whether made pursuant to federal, state or other law; and (ii) any threatened, pending or completed inquiry or investigation, whether made, instituted or conducted by the Company or any other person, including without limitation any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding.

(c) ***"Controlled Affiliate"*** means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; *provided* that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 20% or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute control for purposes of this definition.

(d) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) "***ERISA Losses"*** means any taxes, penalties, or other liabilities under the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended.

(f) ***"Expenses"*** means attorneys' and experts' fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(g) ***"Indemnifiable Claim"*** means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee, inspector, or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit (including any employee benefit plan or related trust), as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee's status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served at the request of the Company as a director, officer, employee, member, manager, trustee or agent of another entity or enterprise if Indemnitee is or was serving as a director, officer, employee, member, manager, trustee or agent of such entity or enterprise and (i) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (ii) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or

maintained by the Company or a Controlled Affiliate, or (iii) the Company or a Controlled Affiliate directly or indirectly caused Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.

(h) ***"Indemnifiable Losses"*** means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim.

(i) "***Independent Counsel***" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any Subsidiary) or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(j) ***"Losses"*** means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA Losses and amounts paid in settlement, including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

2. Indemnification Obligation. Subject to Section 7, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted or required by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted or required indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided*, *however*, that (a) except as provided in Sections 4 and 20, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim and (b) no repeal or amendment of any law of the State of Delaware shall in any way diminish or adversely affect the rights of Indemnitee pursuant to this Agreement in respect of any occurrence or matter arising prior to any such repeal or amendment.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct and is not conditioned upon any prior determination that Indemnitee is entitled to indemnification under this Agreement with respect to the Indemnifiable Claim or the absence of any prior determination to the contrary. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest

any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. In connection with any such payment, advancement or reimbursement, Indemnitee shall execute and deliver to the Company an undertaking in the form attached hereto as Exhibit A (subject to Indemnitee filling in the blanks therein and selecting from among the bracketed alternatives therein), which need not be secured and shall be accepted without reference to Indemnitee's ability to repay the Expenses. In no event shall Indemnitee's right to the payment, advancement or reimbursement of Expenses pursuant to this Section 3 be conditioned upon any undertaking that is less favorable to Indemnitee than, or that is in addition to, the undertaking set forth in Exhibit A.

4. Indemnification for Additional Expenses. Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all Expenses paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or payment, advancement or reimbursement of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; *provided*, *however*, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss, but not for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefor, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery or receipt thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition precedent to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim (a "***Standard of Conduct Determination***") shall be made as follows: (i) if a Change in Control shall not have occurred, or if a Change in Control shall have occurred but Indemnitee shall have requested that the Standard of Conduct Determination be made pursuant to this clause (i), (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) if such Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred and Indemnitee shall not have requested that the Standard of Conduct Determination be made pursuant to clause (i), by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee. Indemnitee will cooperate with the person or persons making such Standard of Conduct Determination, including providing to such person or persons, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all costs and expenses (including reasonable attorneys' and experts' fees and expenses) incurred by Indemnitee in so cooperating with the person or persons making such Standard of Conduct Determination.

(c) The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 7(b) to be made as promptly as practicable. If (i) the person or persons empowered or selected under Section 7 to make the Standard of Conduct Determination shall not have made a determination within 30 days after the later of (A) receipt by the Company of written notice from Indemnitee advising the Company of the final disposition of the applicable Indemnifiable Claim (the date of such receipt being the "***Notification Date***") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, that is permitted under the provisions of Section 7(e) to make such determination and (ii) Indemnitee shall have fulfilled his or her obligations set forth in the

second sentence of Section 7(b), then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; *provided* that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time for the obtaining or evaluation or documentation and/or information relating thereto.

(d) If (i) Indemnitee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) or (c) to have satisfied any applicable standard of conduct under Delaware law which is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date in respect of the Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) above shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses.

(e) If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(i), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(e) to make the Standard of Conduct Determination shall have been selected within 30 days after the Company gives its initial notice pursuant to the first sentence of this Section 7(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the

other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

8. Presumption of Entitlement.

(a) In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct, and the Company may overcome such presumption only by its adducing clear and convincing evidence to the contrary. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by Indemnitee in the Court of Chancery of the State of Delaware. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct shall be a defense to any Claim by Indemnitee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(b) Without limiting the generality or effect of Section 8(a), (i) to the extent that any Indemnifiable Claim relates to any entity or enterprise referred to in clause (i) of the first sentence of the definition of "Indemnifiable Claim," Indemnitee shall be deemed to have satisfied the applicable standard of conduct if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the interests of such entity or enterprise (or the owners or beneficiaries thereof, including in the case of any employee benefit plan the participants and beneficiaries thereof) and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful, and (ii) in all cases, any belief of Indemnitee that is based on the records or books of account of the Company, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Company in the course of their duties, or on the advice of legal counsel for the Company, its Board, any committee of the Board or any director, or on information or records given or reports made to the Company, its Board, any committee of the Board or any director by an independent certified public accountant or by an appraiser or other expert selected by or on behalf of the Company, its Board, any committee of the Board or any director shall be deemed to be reasonable.

9. No Adverse Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or that indemnification hereunder is otherwise not permitted.

10. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "***Other Indemnity Provisions***"); *provided*, *however*, that (a) to the extent that Indemnitee otherwise

would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision.

11. Liability Insurance and Funding. For the duration of Indemnitee's service as a director and/or officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending or possible Indemnifiable Claim, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. Upon request, the Company shall provide Indemnitee with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials, and shall provide Indemnitee with a reasonable opportunity to review and comment on the same. Without limiting the generality or effect of the two immediately preceding sentences, the Company shall not discontinue or significantly reduce the scope or amount of coverage from one policy period to the next (i) without the prior approval thereof by a majority vote of the Incumbent Directors, even if less than a quorum, or (ii) if at the time that any such discontinuation or significant reduction in the scope or amount of coverage is proposed there are no Incumbent Directors, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed). In all policies of directors' and officers' liability insurance obtained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. The Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including without limitation a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(g). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

13. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(g)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

14. Defense of Claims. The Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee; *provided* that if Indemnitee believes, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company, or (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim to which Indemnitee is, or could have been, a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

15. Successors and Binding Agreement.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "***Company***" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 15(a) and 15(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 15(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

16. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

18. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

19. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Sections are to references to Sections of this Agreement.

20. Legal Fees and Expenses; Interest.

(a) It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should appear to Indemnitee that the Company has failed to comply with any of its obligations under this Agreement (including its obligations under Section 3) or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Company and Indemnitee agree that a confidential relationship shall exist between Indemnitee and such counsel. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

(b) Any amount due to Indemnitee under this Agreement that is not paid by the Company by the date on which it is due will accrue interest at the maximum legal rate under Delaware law from the date on which such amount is due to the date on which such amount is paid to Indemnitee.

21. Certain Interpretive Matters. Unless the context of this Agreement otherwise requires, (a) "it" or "its" or words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (e) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), and (f) the word "or" is disjunctive but not exclusive. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "business day" means any day other than Saturday, Sunday or a United States federal holiday.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

ASBURY AUTOMOTIVE GROUP, INC.
2905 Premiere Parkway NW
Suite 300
Duluth, GA 30097

By: _____
Name:
Title:

[INDEMNITEE]
[Address]

_____
[Indemnitee]

EXHIBIT A

UNDERTAKING

This Undertaking is submitted pursuant to the Director Indemnification Agreement, dated as of , (the "***Indemnification Agreement***"), between Asbury Automotive Group, Inc., a Delaware corporation (the "***Company***"), and the undersigned. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Indemnification Agreement.

The undersigned hereby requests **[payment], [advancement], [reimbursement]** by the Company of Expenses which the undersigned **[has incurred] [reasonably expects to incur]** in connection with (the "***Indemnifiable Claim***").

The undersigned hereby undertakes to repay the **[payment]**, **[advancement]**, **[reimbursement]** of Expenses made by the Company to or on behalf of the undersigned in response to the foregoing request if it is determined, following the final disposition of the Indemnifiable Claim and in accordance with Section 7 of the Indemnification Agreement, that the undersigned is not entitled to indemnification by the Company under the Indemnification Agreement with respect to the Indemnifiable Claim.

IN WITNESS WHEREOF, the undersigned has executed this Undertaking as of this day of , .

[Indemnitee]

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles R. Oglesby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asbury Automotive Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Charles R. Oglesby
Charles R. Oglesby
Chief Executive Officer
April 29, 2010

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Craig T. Monaghan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asbury Automotive Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Craig T. Monaghan
Craig T. Monaghan
Chief Financial Officer
April 29, 2010

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles R. Oglesby, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles R. Oglesby

Charles R. Oglesby
Chief Executive Officer
April 29, 2010

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig T. Monaghan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Craig T. Monaghan

Craig T. Monaghan
Chief Financial Officer
April 29, 2010

Exhibit 99.1

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Asbury Automotive Group Announces Retirement of
Vice President of Human Resources Philip R. Johnson;
Joseph G. Parham, Jr. to Succeed Him

DULUTH, GA, April 28, 2010 - Asbury Automotive Group, Inc. (NYSE: ABG), one of the largest automotive retail and service companies in the U.S., today announced that Philip R. (Phil) Johnson, Vice President of Human Resources, plans to retire effective July 1, 2010. Asbury has named Joseph G. (Joe) Parham, Jr. to succeed Johnson.

President and CEO Charles Oglesby said, “On behalf of everyone at Asbury, we would like to thank Phil for his 10 years of service, and the tremendous value he has brought to the company during this time. Over the next couple of months, Phil will work with Joe to ensure a seamless transition of leadership for the company. We will miss Phil, and wish him all the best in his future endeavors.”

Johnson added, “Over the last decade, few companies have faced as many different challenges as we have at Asbury. The opportunity to be a part of these changes was a once-in-a-lifetime experience. Because our future is so bright, I am excited to pass the HR leadership baton to Joe Parham, who will bring a new set of ideas, enthusiasm and optimism to our company. I leave Asbury with not only a great sense of accomplishment, but also many cherished friendships.”

Parham, Johnson’s successor, was most recently Senior Vice President of Human Resources at Acuity Brands, Inc., a $2.4 billion lighting fixtures and specialty cleaning chemicals company in Atlanta. Prior to that, he served as

Senior Vice President of Human Resources at National Service Industries, Inc. From 1983 to 2000, he held various positions within Polaroid Corporation, such as President and COO of Polaroid Eyewear, Senior Vice President of Global Human Resources and Senior Director of Global Logistics and Customer Service. Parham holds both a B.S.B.A in Management and an M.B.A in Economics from Babson College in Wellesley, Massachusetts.

“We are fortunate to have a leader such as Joe Parham taking over the chief HR position, and to build on the company’s great track record of employee engagement,” Oglesby stated. “He brings to Asbury tremendous experience in the human resources field, and has a broad background that will no doubt benefit the company in many different ways. We look forward to the fresh ideas Joe will bring to us in the near future.”

Parham commented, “I am very excited about the opportunity to augment the human resource organization Phil and his team have developed. One of HR’s major responsibilities is to facilitate and enable the achievement of Asbury Automotive Group’s strategic objectives while maintaining that ever-important entrepreneurial spirit. I look forward to partnering and collaborating with the great dealership and corporate staff Asbury has built.”

About Asbury Automotive Group

Asbury Automotive Group, Inc. (“Asbury”), headquartered in Duluth, Georgia, a suburb of Atlanta, is one of the largest automotive retailers in the U.S. Built through a combination of organic growth and a series of strategic acquisitions, Asbury currently operates 80 retail auto stores, encompassing 107 franchises for the sale and servicing of 38 different brands of American, European and Asian automobiles. Asbury 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.

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