ASBURY
AUTOMOTIVE GROUP

Welcome to Asbury Automotive.
Let's drive.

# Investor Presentation

December 20-22, 2010

# Forward Looking Statements

*To the extent that statements in this presentation are not recitations of historical fact, such statements constitute “forward-looking statements" as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation include statements relating to goals, plans, expectations, projections regarding our financial position, results of operations, market position, business strategy and expectations of our management with respect to, among other things: our relationships with vehicle manufacturers; our ability to improve our margins; operating cash flows and availability of capital; capital expenditures; the amount of our indebtedness; the completion of pending and future acquisitions and divestitures; future return targets; future annual savings;  general economic trends, including consumer confidence levels, interest rates, and fuel prices; and automotive retail industry trends.*

*The following are some but not all of the factors that could cause actual results or events to differ materially from those anticipated, including: our ability to generate sufficient cash flows; our ability to improve our liquidity position; market factors and the future economic environment, including consumer confidence, interest rates, the price of oil and gasoline, the level of manufacturer incentives and the availability of consumer credit; the reputation and financial condition of vehicle manufacturers whose brands we represent, and their ability to design, manufacture, deliver and market their vehicles successfully; the ability of our principal vehicle manufacturers to continue to produce vehicles that are in high demand by our customers; our ability to enter into and/or renew our framework and dealership agreements on favorable terms; the inability of our dealership operations to perform at expected levels or achieve expected return targets; our ability to successfully integrate recent and future acquisitions; our relationships with the automotive manufacturers which may affect our ability to complete additional acquisitions; changes in, or failure or inability to comply with, laws and regulations governing the operation of automobile franchises, accounting standards, the environment and taxation requirements; our ability to leverage gains from our dealership portfolio; high levels of competition in the automotive retailing industry which may create pricing pressures on the products and services we offer; our ability to minimize operating expenses or adjust our cost structure; our ability to achieve our targeted leverage ratio; our ability to execute our capital expenditure plans; our ability to achieve estimated future savings from our various cost saving initiatives and strategies; our ability to comply with our debt or lease covenants and obtain waivers for the covenants as necessary;  the loss of key personnel; and the outcome of any pending or threatened litigation.  These risks, uncertainties and other factors are disclosed in Asbury’s Annual Report on Form 10-K, subsequent quarterly reports on Form 10-Q and periodic and current reports filed with the Securities and Exchange Commission from time to time.*

*These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation.   We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, whether as a result of new information, future events or otherwise.*

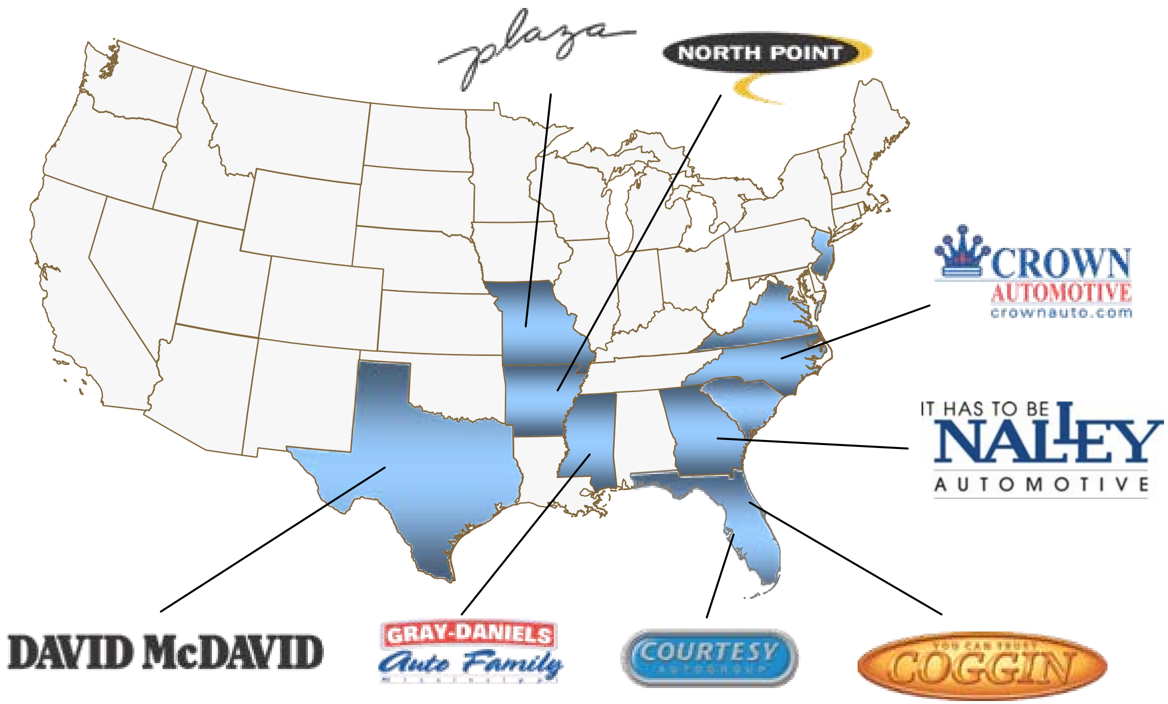
# Agenda

1. Asbury Overview
2. Opportunities for the Future
3. Capital Allocation Philosophy

Note: Will not be discussing Q4 2010 Performance

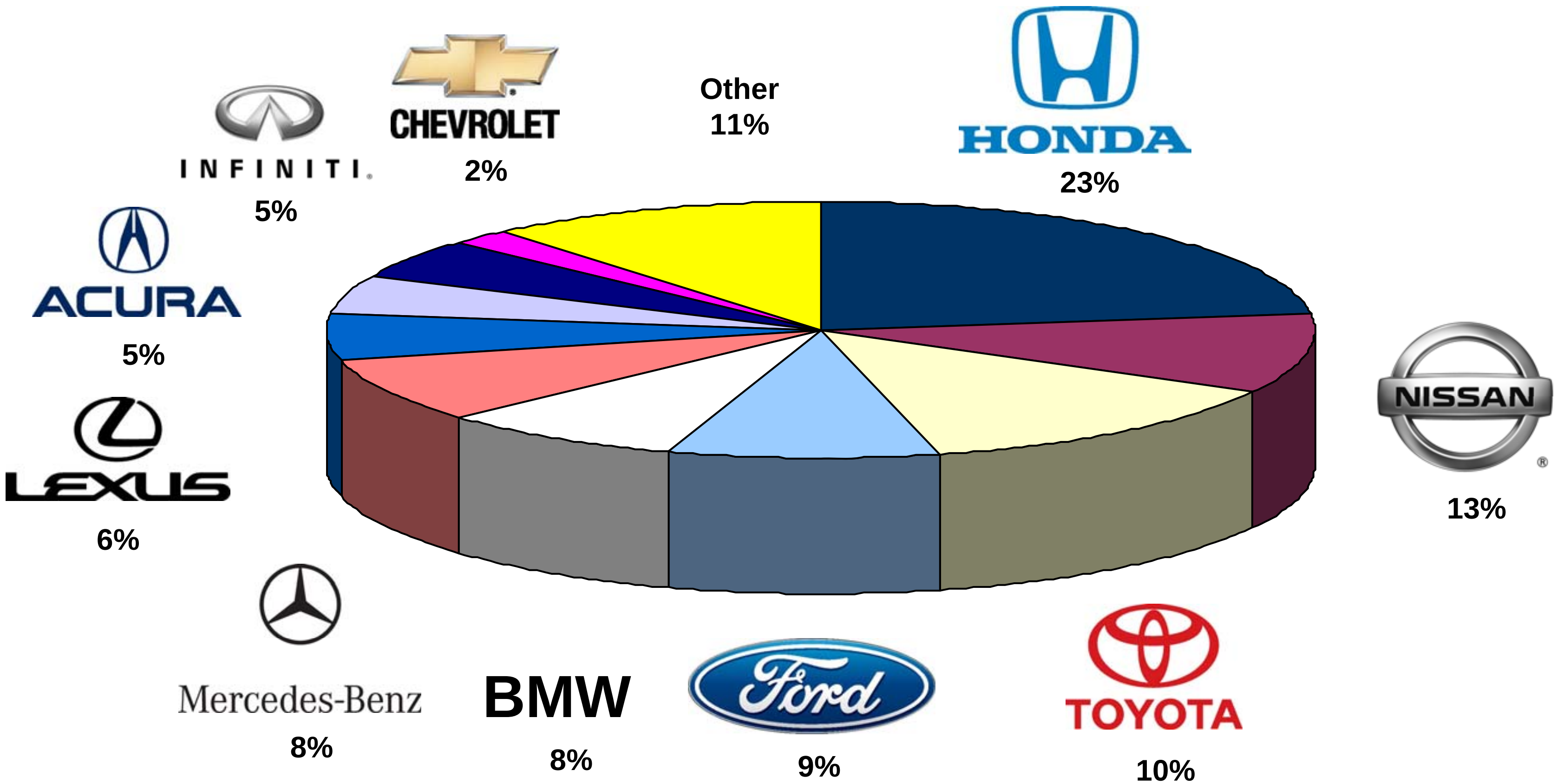
# Asbury Automotive Group (NYSE:ABG)

- $4.0 billion in revenues (LTM 9/30/2010)
- 37 vehicle brands (84% luxury / import)
- 84 retail locations; 114 franchises
- Retailed over 100,000 vehicles in 2009




*Diversified public automotive dealer group*

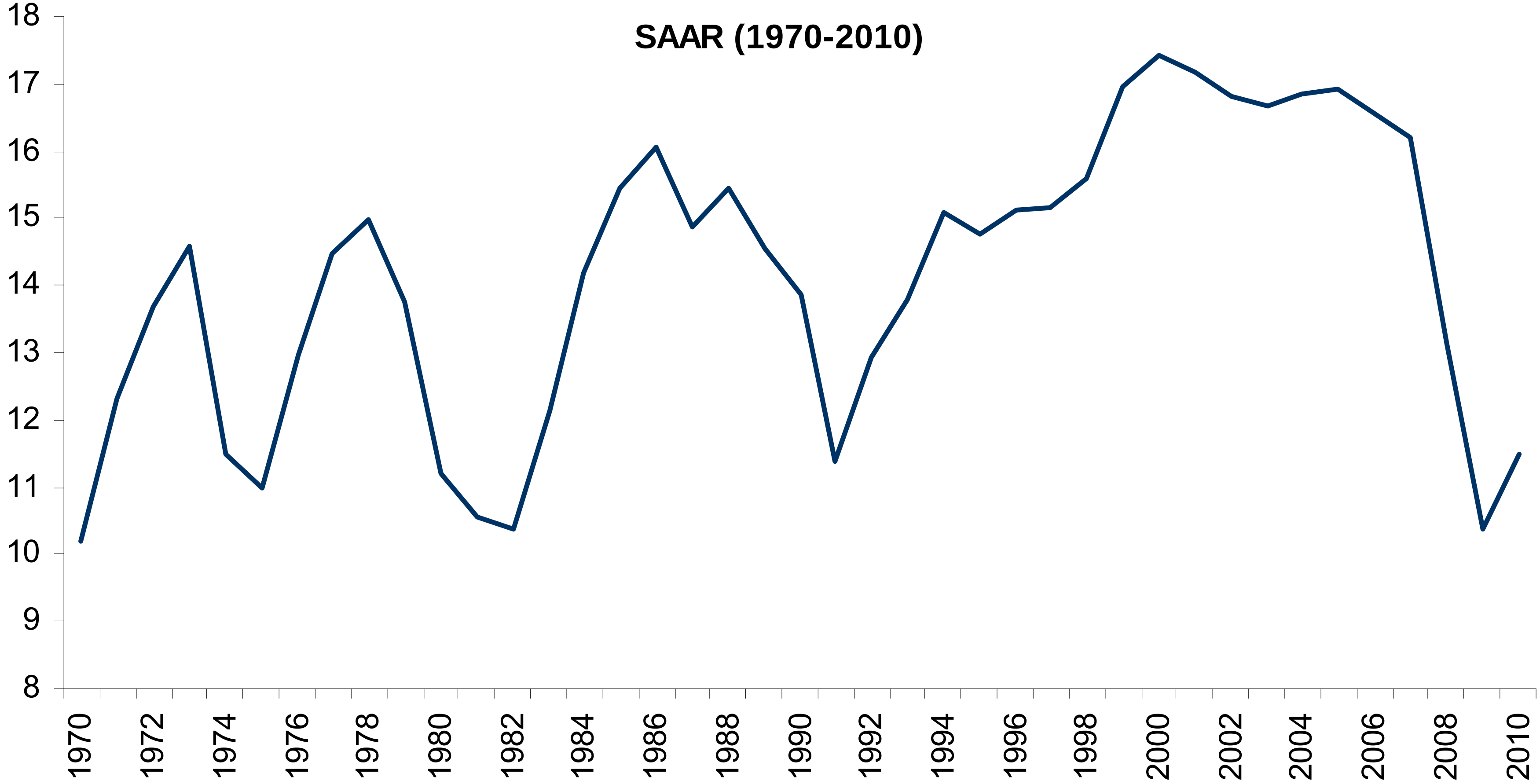
# Attractive Brand Mix




***Asbury has a very attractive portfolio of brands; high concentration of import and luxury***

Note: based on Q3 2010 YTD revenues. Excludes Heavy Trucks.

# Long-term U.S. Automotive Retail Sales Trend




*Auto sales are highly cyclical and remain depressed relative to historical levels; however, the industry is beginning to see a recovery*

Source: Federal Reserve.

# How We Managed Through the Downturn

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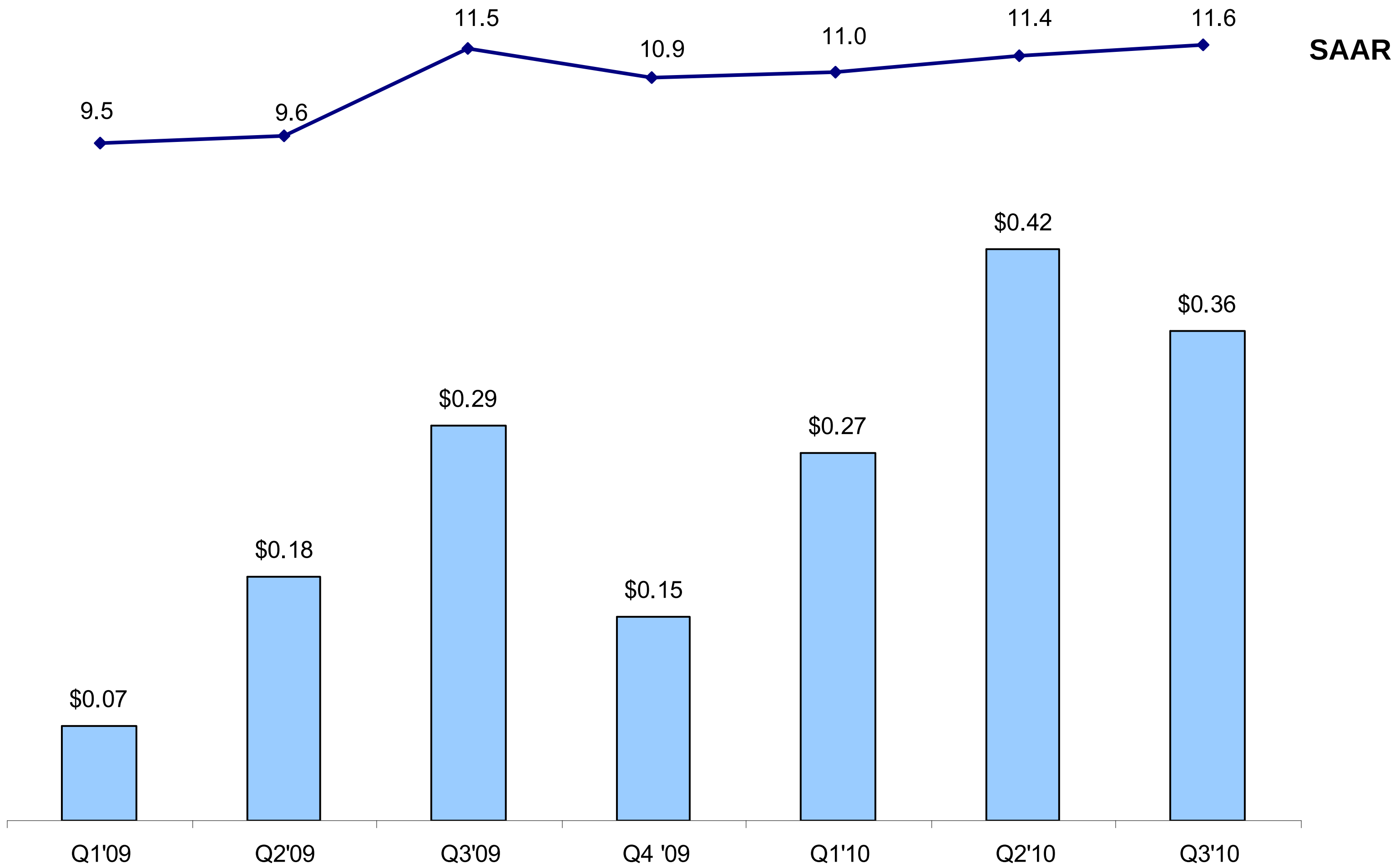
- With our financial partners, we restructured our credit facilities and modified our covenants
- Managed through GM & Chrysler bankruptcies
- Sold stores and placed acquisitions on hold
- Suspended $29 million dividend payments
- Reduced cap-ex by 75%
- Decreased new inventory $255 million
- Eliminated 1,500 field positions
- Reduced corporate staff by 25% and relocated from NYC to Atlanta
- Reduced SG&A by over $100 million

*We reacted quickly and decisively in response to the recession*

# Historical Profitability

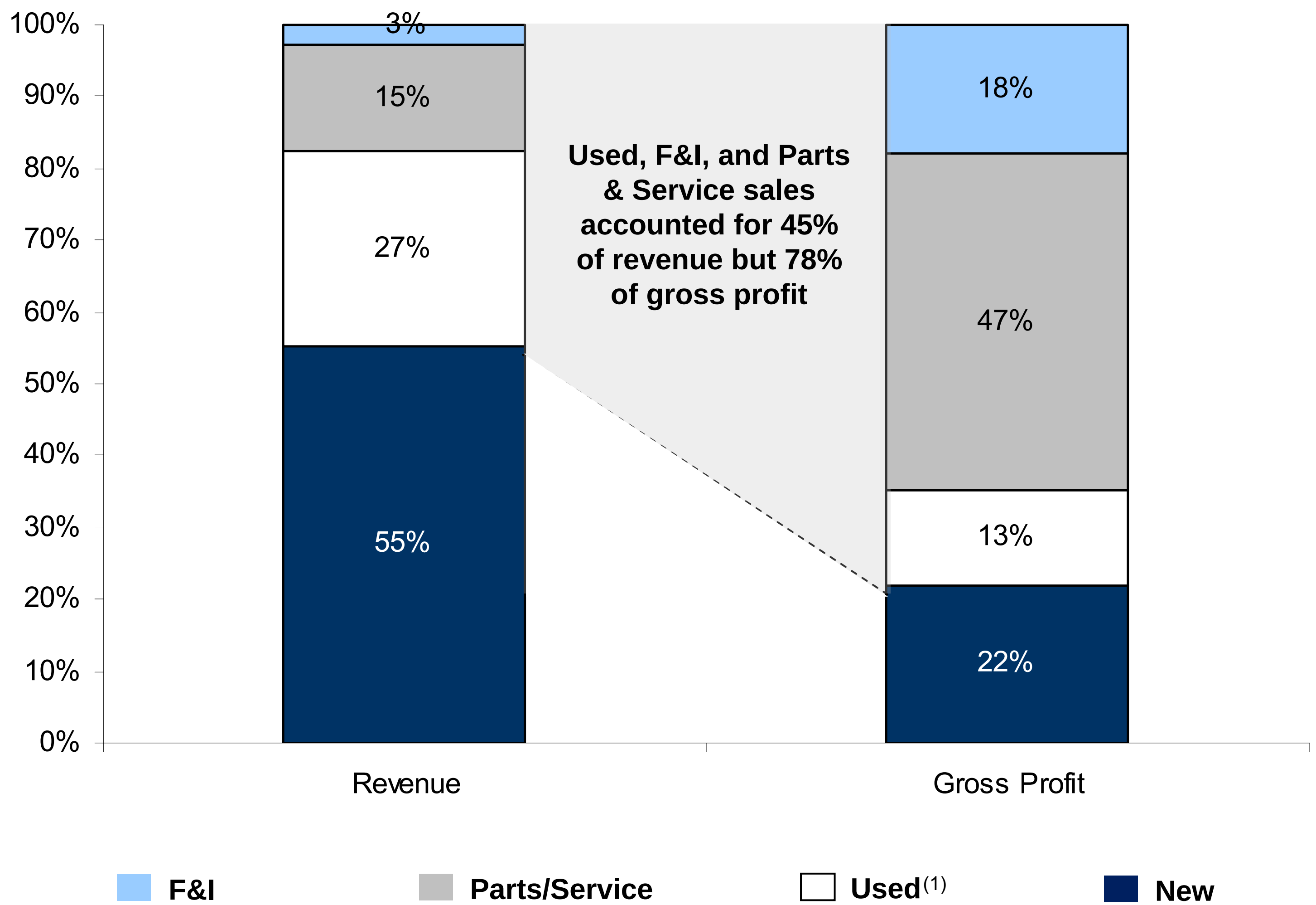
**Reported Diluted EPS from continuing operations**




*Public auto retail model tested and proven during the recession*

# What Drives Gross Profit?

**(Q3 2010)**

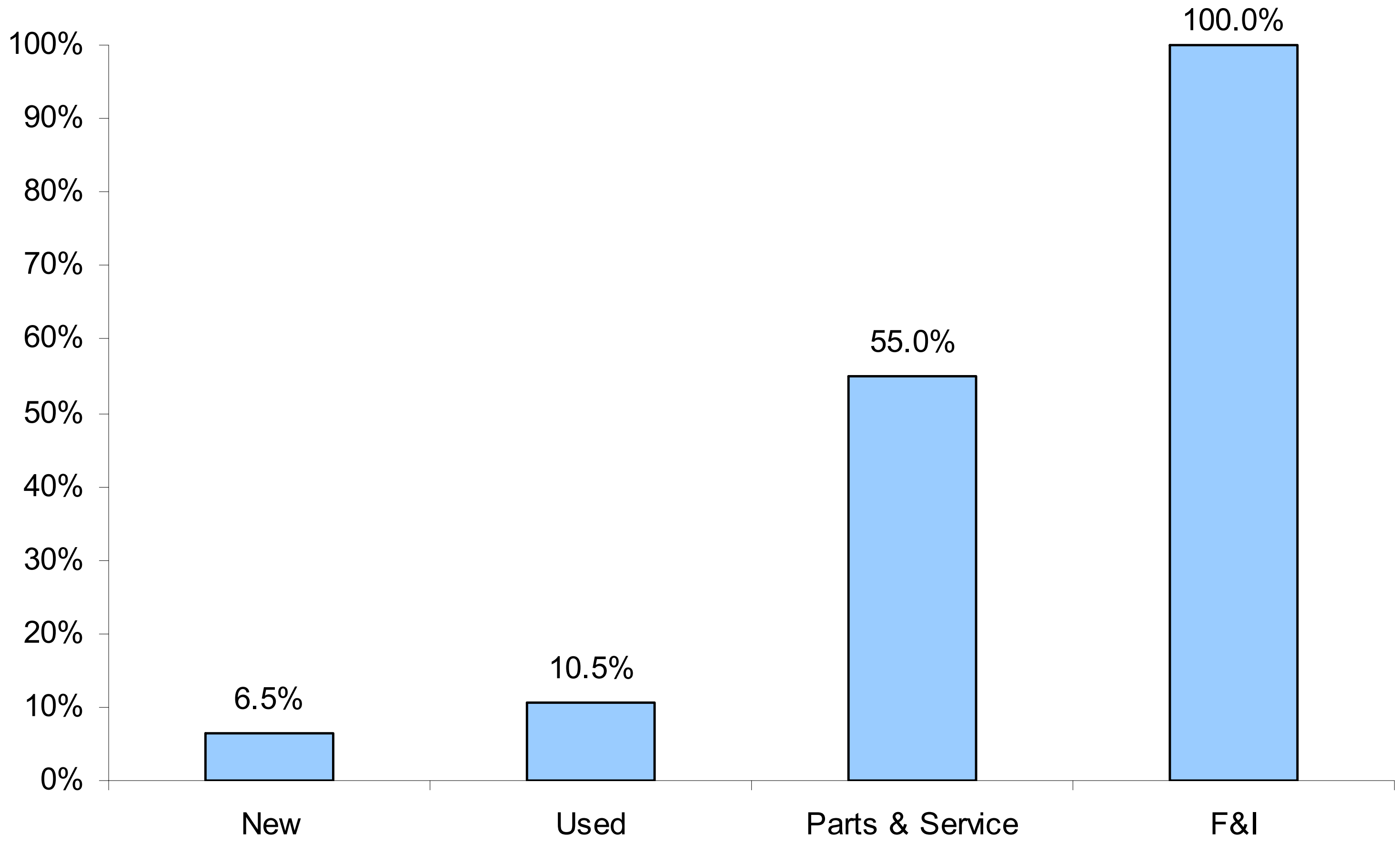



*Used, F&I, and Parts & Service businesses accounted for 78% of gross profit*

(1) includes wholesale business.

# Light Vehicle Gross Margins

**(Q3 2010, same store)**




*F&I and Parts & Service have significantly higher gross margins than New and Used vehicle sales*

# Opportunities for the Future

- Improve operating performance
- Enhance productivity
- Strengthen balance sheet
- Balanced capital allocation

*Opportunities exist in numerous areas to improve future performance*

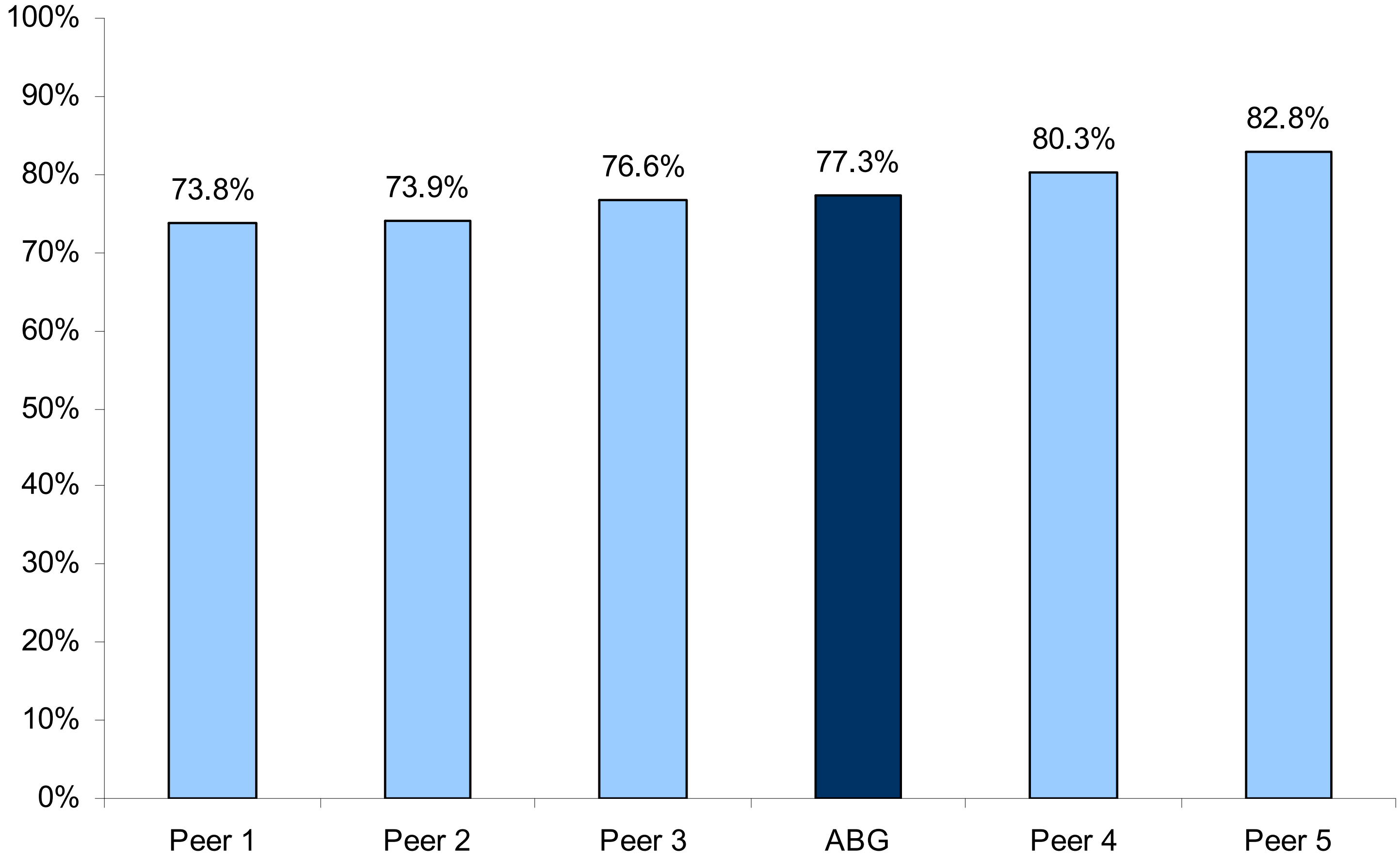
# Improve Operating Performance

- Standardizing used vehicle processes
- Investing in web based initiatives
- Building out IT infrastructure
- Developing shared service capabilities
- Centralizing procurement
- Enhancing customer experience through technology

*Continue implementing best practices across our dealerships*

# Enhance Productivity

**Q3 2010 SG&A as a % of Gross Profit**




*Asbury is in the middle of the peer group and has room for improvement*

Note: Calculated from publicly available information for all publicly traded automotive retailers

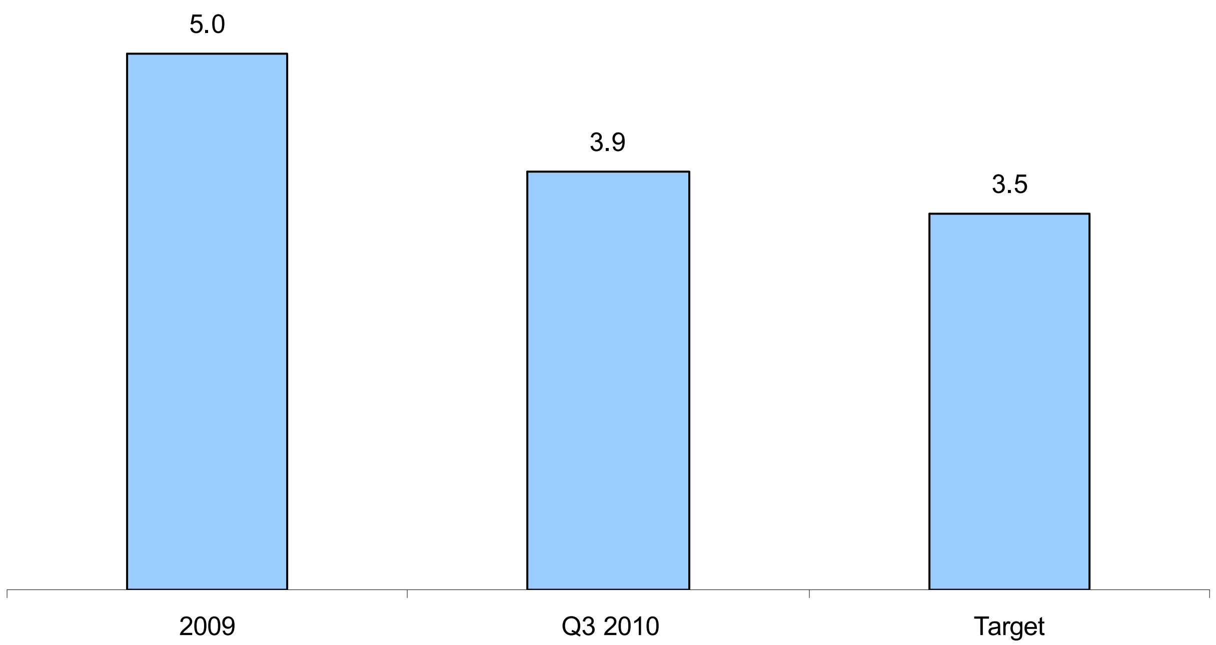
# Enhance Productivity

- Migrating to a common dealer management system
  - ✓ successfully converted 20% of stores
- Implementing a national CRM system
  - ✓ successfully implemented in 75% of stores
- Re-launching updated, customer focused store web sites
  - ✓ successfully launched 40% of stores' web sites
- Investing in social media, web initiatives, and other customer interfacing systems
- Sharing best practices across stores
- Automating payment processes and bank, floor plan, and inventory reconciliations

*Driving costs out of our business while enhancing the customer experience*

# Strengthen Balance Sheet

**(Leverage Ratio)**




*We continue to de-lever and are targeting 3.5x total leverage*

Note: See page 28 for GAAP reconciliation.

# $200 Million Refinancing Completed in November 2010

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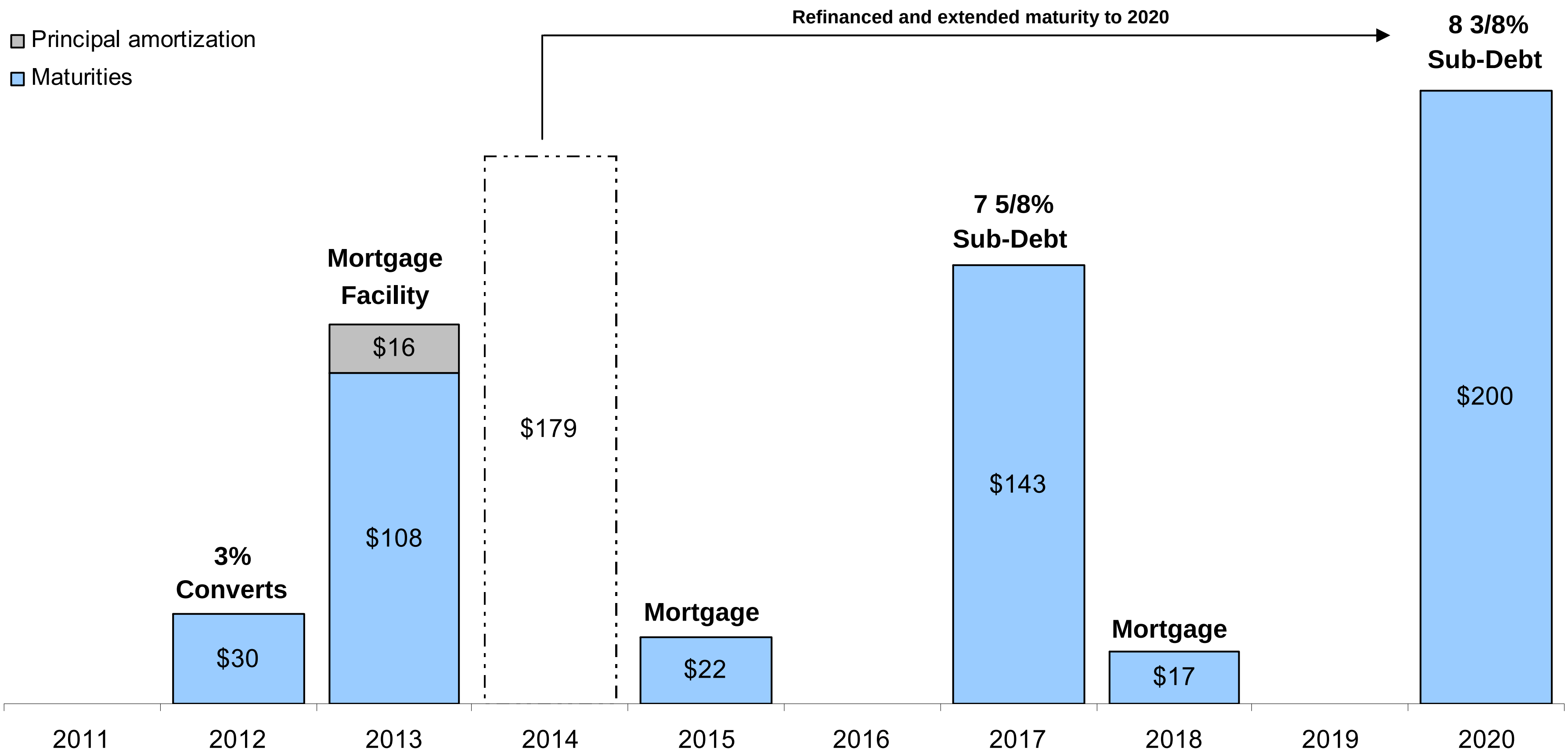
**Debt Maturity Schedule as of Sep 30, 2010 ($ millions)**




*Extended our maturity profile and improved our capital structure; amended covenants in senior credit facilities and bonds to improve ability to return capital to shareholders*

Note: Amounts shown are the face value of debt instruments

# Balanced Capital Allocation

- Asbury evaluates capital allocation opportunities as follows:
  - Invest in business and technology: maintain capex (excluding land purchases) and IT infrastructure investments at approximately $30-35 million per annum
  - Debt repurchase: target leverage at or below 3.5x and opportunistically retire operating leases
  - Stock buyback: opportunistically return value to shareholders utilizing board approved $25 million share repurchase authorization
  - Acquisitions: seek acquisitions in our existing geographies to maintain our targeted brand mix (import / luxury heavy) where we can leverage market branding and operating efficiencies

*Invest capital where risk-adjusted returns are expected to exceed our cost of capital*

# Invest in the Business and Technology

Tampa Mercedes Stores

- Grand opening of newly constructed Tampa Mercedes dealership in Q1 2011
- Constructed a new facility in a preferred location
- Exiting a spaced constrained leased facility

*Capex plan envisions 1-2 major store re-builds per annum;*
*Major company-wide IT infrastructure upgrades will be complete in 2011*

# Return Value to Shareholders

November 2010 Bond Refinancing and Consents and Bank Amendments

- Restored ability to make restricted payments that had been impacted by the goodwill impairment in 2008
  - Cumulative Net Income ("CNI") basket reset to $0 and starts building in Q4 2010
  - $50 million restricted payments basket in addition to the CNI basket
  - $10 million annual restricted payments basket for equity repurchases
- Consents for 2017 notes effectively aligned restricted payments basket of the 2017 notes to the new 2020 notes

*Cleared hurdles to return capital to our shareholders*

# Approach to Acquisitions

Defining our target stores:

- Luxury / mid-line import focus
- In close proximity to existing stores
- Balance portfolio diversification by brand and geography
- Focus on markets with sufficient density to support healthy sales levels
- Prices that enable us to deliver an internal rate of return (IRR) greater than our weighted average cost of capital (WACC)
- Valuations that are below ABG's valuation, recognizing that full valuation may not be achieved until ABG expertise and synergies are brought to bear

*Invest capital within our acquisition criteria with respect to brands, geographic location and valuation*

# Sale of Heavy Truck Business

- Entered into an agreement to sell heavy truck business
- Strategic decision to exit a non-core business
- Redeploy capital into our core automotive retailing business
- Expected to close in Q1 2011
- LTM revenues of $225 million


*Will be a pure play "super regional" automotive retailer*

# Greenville, South Carolina Acquisition

- Acquired five franchises (Jaguar, Lexus, Porsche, Toyota, and Volvo)
- Estimate annualized revenues of $125 million
- Expanded our presence in Greenville, SC, a strong market within our existing geographic footprint
- Fits within our acquisition criteria
- As a result of the Greenville, SC acquisition and Heavy Truck divestiture, Asbury anticipates an increase in annualized pre-tax income from continuing operations of approximately $2 million


Lexus LF-A

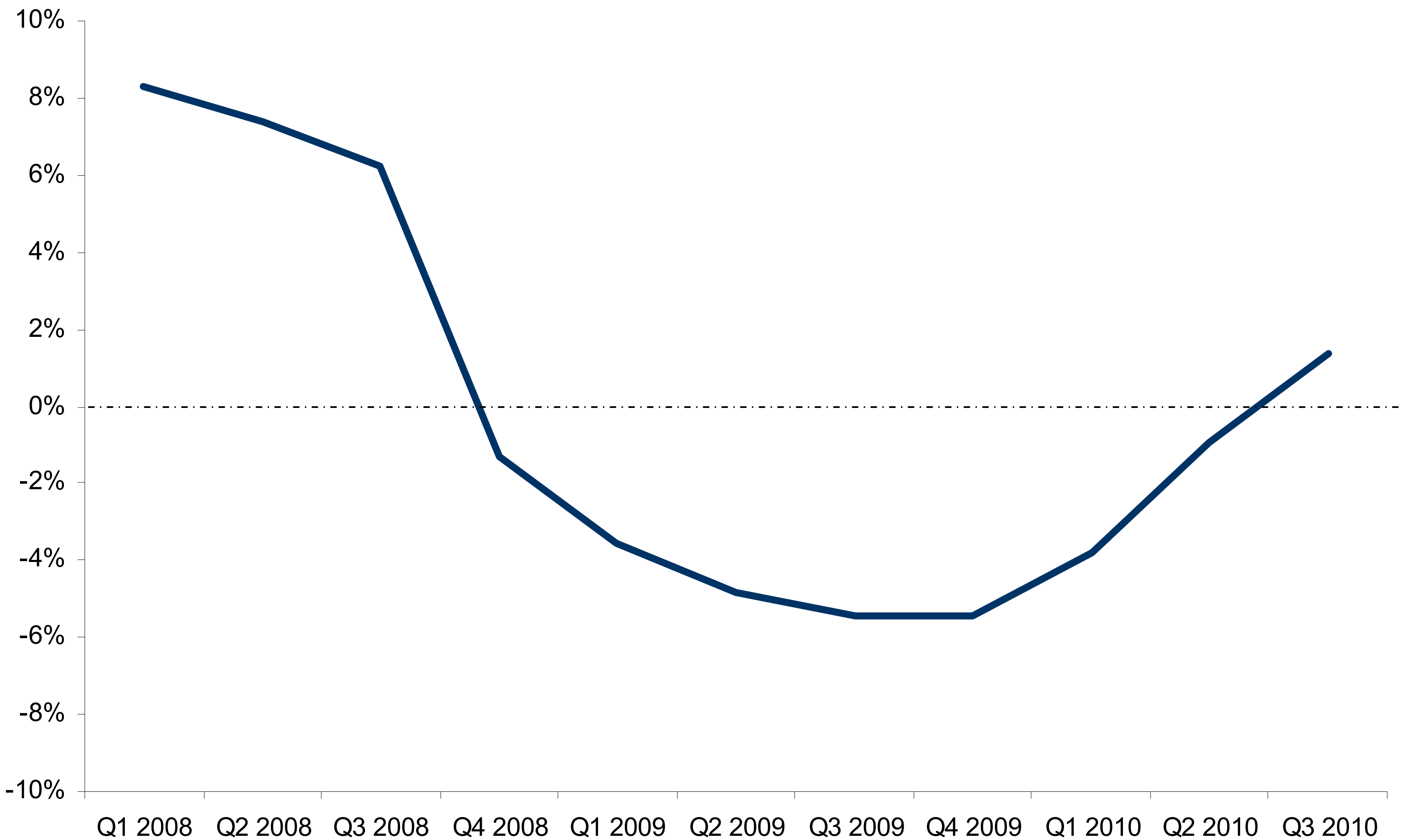
*Growing our core competency*

# Why Asbury?

1. Opportunity to participate in a recovery of US retail SAAR
2. Expected enhancement in earnings from investments in technology and processes
3. Opportunity to increase shareholder value through delevering and returning capital to shareholders
4. Attractive brand mix
5. Attractive geographic footprint
6. Entrepreneurial management teams

# Appendix

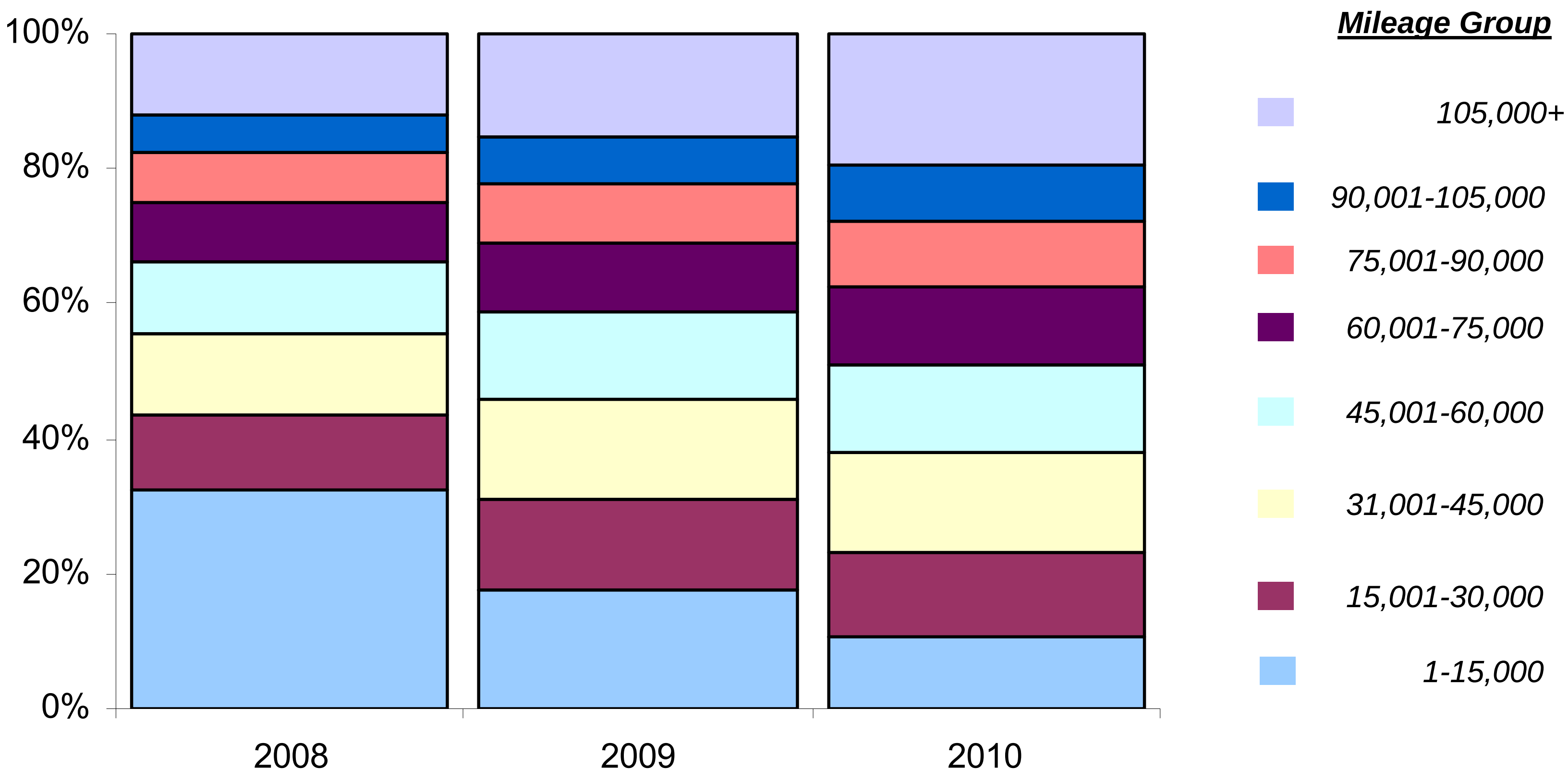
# Parts and Service Revenue Growth (Year-over-Year)




*Parts and service revenue growth lags new vehicle revenue growth; parts and service revenue growth showing signs of stabilization*

# Parts and Service Revenue by Mileage Group

**(As a percentage of total parts and service revenue)**

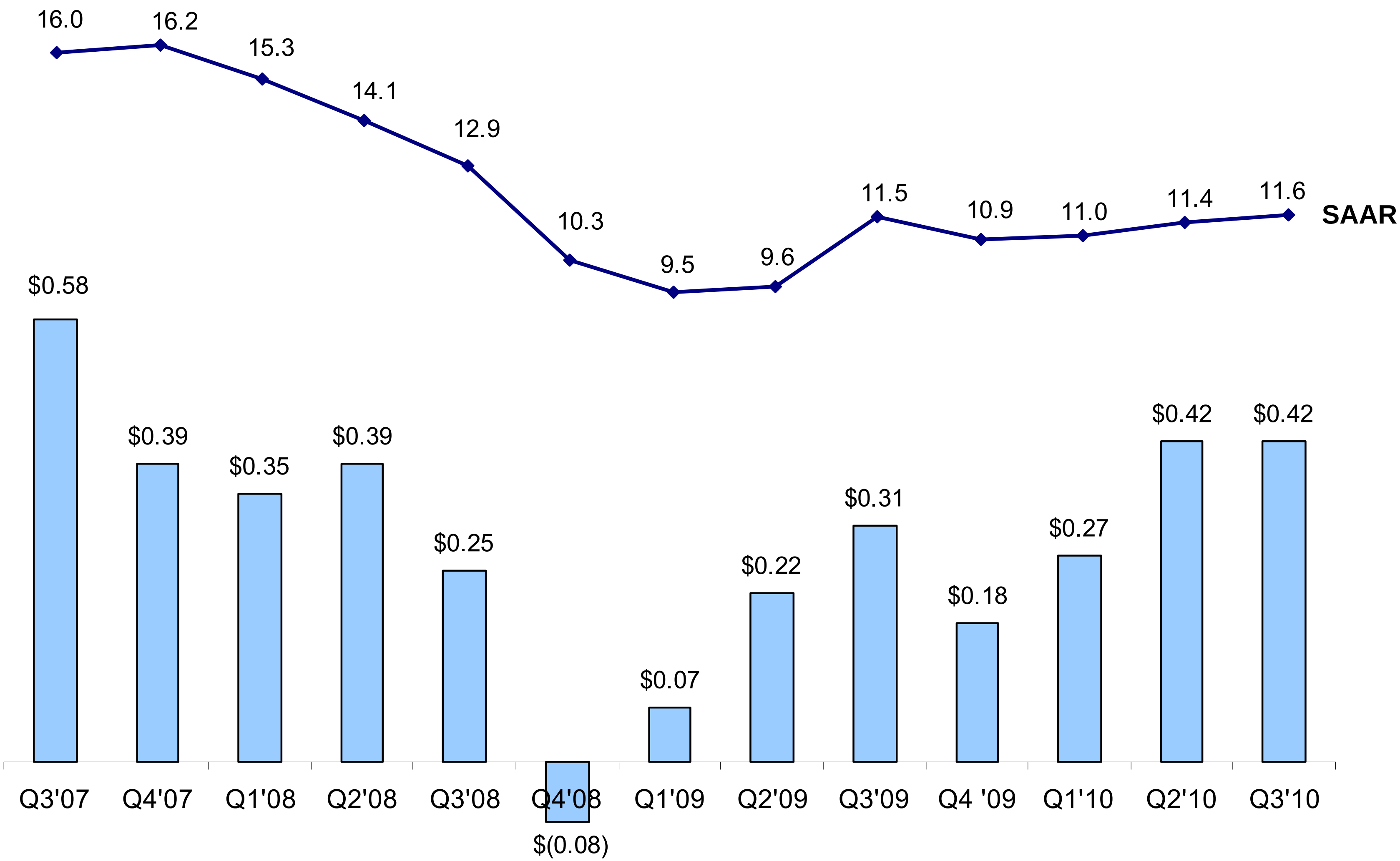



**In 2008, 56% of vehicles serviced had less than 45,000 miles; reduced to 38% in 2010**

*Servicing a larger percentage of older, higher mileage vehicles, which require, on average, larger dollar repairs*

# Historical Profitability

### Adjusted Diluted EPS from Continuing Operations




*Public auto retail model tested and proven during the recession*

Note: Adjusted for reported non-core items. See page 27 for GAAP reconciliation.

# Compensation Structure

## ***Indicative Variable Compensation Expense on Incremental Vehicle Sales (light vehicles):***

| | |
|---|---|
| ***Sales Commission (New and Used Vehicles)*** | 19-23% of New and Used Vehicle Gross Profit |
| ***F&I Commission*** | 13-17% of Finance and Insurance Gross Profit |
| ***Sales Manager Compensation*** | 10-14% of New, Used and F&I Gross Profit |
| ***Management Compensation [(1)]*** | 15-20% of Pre-tax Net Income |

(1) Includes in-store and corporate compensation structure.

# Adjusted Diluted EPS From Continuing Operations

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## (Non-GAAP Reconciliation)

| | For the Three Months Ended: | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep. 30, 2010 | Jun. 30, 2010 | Mar. 31, 2010 | Dec. 31, 2009 | Sep. 30, 2009 | Jun. 30, 2009 | Mar. 31, 2009 | Dec. 31, 2008 | Sep. 30, 2008 | Jun. 30, 2008 | Mar. 31, 2008 | Dec. 31, 2007 | Sep. 30, 2007 |
| | (in millions, except per share data) | | | | | | | | | | | | |
| Income from continuing operations as reported | $ 12.0 | 13.7 | 8.9 | 5.0 | 9.5 | 6.0 | 2.2 | (353.5) | 7.1 | 11.6 | 11.2 | 11.5 | 19.2 |
| Impairment expense | - | - | - | - | - | - | - | 535.9 | - | - | - | - | - |
| Gain on extinguishment of long-term debt | - | - | - | (0.1) | - | - | - | (34.2) | - | - | - | - | - |
| Loss on extinguishment of long-term debt | 1.3 | - | - | - | - | - | - | - | 1.7 | - | - | - | - |
| Real estate related losses | 1.8 | - | - | - | - | - | - | - | - | - | - | - | - |
| Corporate generated F&I gain | - | - | - | - | - | - | - | (4.7) | - | - | - | - | - |
| Tax related items | - | - | - | 0.9 | - | - | - | - | - | - | - | - | - |
| Executive separation benefits expense | - | - | - | - | - | - | - | - | - | 1.7 | - | - | - |
| Reversal of tax reserves | - | - | - | - | (0.8) | - | - | - | (1.1) | - | - | - | - |
| Legal settlement expenses | - | - | - | - | - | - | - | - | - | - | - | 1.9 | 0.3 |
| Legal settlement benefits | - | - | - | - | - | - | (1.5) | - | - | - | - | - | - |
| Restructuring costs | - | - | - | - | 1.2 | 1.7 | 1.3 | 3.3 | 1.5 | - | - | - | - |
| Dealer management system transition implementation costs | - | - | - | 0.4 | 1.2 | 0.1 | 0.2 | 0.1 | 0.2 | - | - | - | - |
| Tax benefit of non-core items above | (1.2) | - | - | (0.1) | (0.9) | (0.6) | - | (149.4) | (1.4) | (0.7) | - | (0.7) | (0.1) |
| Total non-core items | 1.9 | - | - | 1.1 | 0.7 | 1.2 | 0.0 | 351.0 | 0.9 | 1.0 | - | 1.2 | 0.2 |
| Adjusted income from continuing operations | $ 13.9 | $ 13.7 | $ 8.9 | $ 6.1 | $ 10.2 | $ 7.2 | $ 2.2 | $ (2.5) | $ 8.0 | $ 12.6 | $ 11.2 | $ 12.7 | $ 19.4 |
| Diluted EPS from Continuing Operations, as reported | $ 0.36 | $ 0.42 | $ 0.27 | $ 0.15 | $ 0.29 | $ 0.18 | $ 0.07 | $(11.15) | $ 0.22 | $ 0.36 | $ 0.35 | $ 0.36 | $ 0.58 |
| Adjusted Diluted EPS from Continuing Operations | $ 0.42 | $ 0.42 | $ 0.27 | $ 0.18 | $ 0.31 | $ 0.22 | $ 0.07 | $ (0.08) | $ 0.25 | $ 0.39 | $ 0.35 | $ 0.39 | $ 0.58 |
| Weighted average common shares outstanding (diluted) | 33.1 | 33.0 | 33.3 | 33.0 | 33.1 | 33.2 | 32.3 | 31.7 | 32.1 | 32.2 | 32.3 | 32.2 | 33.2 |

**Non-GAAP Financial Disclosure**

Our operations during 2010, 2009 and 2008 were impacted by certain items that are not core dealership operating items, which we believe are important to highlight when reviewing our results and should be considered when forecasting our future results.

We believe that it is important to highlight these operating and non-operating components of our results to allow a more thorough understanding of our results and to compare our results to that of our competitors. As a result, we use the non−GAAP measure "Adjusted Earnings Per Share ("EPS") from Continuing Operations."

Adjusted EPS from Continuing Operations, 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 EPS from Continuing Operations. 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. In order to compensate for these limitations, we also review the related GAAP measures. Investors should not consider non−GAAP measures in isolation, or as a substitute for analysis of our operating results as reported under GAAP.

# Leverage Ratio

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## (Non-GAAP Reconciliation)

| | For the Twelve Months Ended: Sep. 30, 2010 | Dec. 31, 2009 |
|---|---|---|
| | (in millions) | |
| Income from continuing operations, as reported | $ 39.7 | 24.2 |
| Add: | | |
| Depreciation and amortization | 22.8 | 23.5 |
| Income tax expense | 26.3 | 14.4 |
| Interest income | (0.2) | (0.2) |
| Convertible debt discount amortization | 1.5 | 1.8 |
| Other interest expense | 37.7 | 38.2 |
| Total | 88.1 | 77.7 |
| Earnings Before Interest, Taxes, and Depreciation (EBITDA) | $ 127.8 | $ 101.9 |
| Total non-core items (see page 27) | 3.0 | 3.0 |
| Add tax benefit of non-core items (see page 27) | 1.3 | 1.6 |
| Adjusted Earnings Before Interest, Taxes, and Depreciation (Adjusted EBITDA) | $ 132.1 | $ 106.5 |
| Book value of Long-term debt, including current portion (Total Debt) | $ 509.8 | $ 537.8 |
| Leverage Ratio | 3.9 | 5.0 |

**Non-GAAP Financial Disclosure**

We define our leverage ratio as the book value of our long-term debt (including current portion) divided by twelve months of Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"). We define Adjusted EBITDA as income from continuing operations plus other interest expense, income tax expense, depreciation and amortization and non-core items less interest income.

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Adjusted EBITDA 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 income from continuing operations. 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. In order to compensate for these limitations, we also review the related GAAP measures. Investors should not consider non−GAAP measures in isolation, or as a substitute for analysis of our operating results as reported under GAAP.


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