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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2003

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.)

Three Landmark Square, Suite 500, Stamford, Connecticut 06901, (203) 356-4400

(Address of, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices

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 3 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 v No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No v

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date (applicable only to corporate registrants).

The number of shares of common stock outstanding as of May 9, 2003 was 32,840,476 (net of 1,159,524 treasury shares).

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March 31, 2003 Form 10-Q Quarterly Report

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except for share data)

ASSETS	March 31, 2003 (unaudited)	December 31, 2002
CURRENT ASSETS:		
Cash and cash equivalents	$ 38,077	$ 22,613
Contracts-in-transit	88,936	91,190
Current portion of restricted marketable securities	1,545	1,499
Accounts receivable (net of allowance of $2,103 and $2,122)	93,275	96,090
Inventories	622,436	604,791
Deferred income taxes	7,353	9,044
Prepaid and other current assets	21,912	24,556
Total current assets	873,534	849,783
PROPERTY AND EQUIPMENT, net	277,735	286,930
GOODWILL	400,666	402,133
RESTRICTED CASH AND MARKETABLE SECURITIES	5,383	4,892
OTHER ASSETS	61,850	61,906
Total assets	$ 1,619,168	$ 1,605,644
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable	$ 559,783	$ 540,419
Current maturities of long-term debt	30,609	35,009
Accounts payable	41,303	40,120
Accrued liabilities	77,226	77,325
Total current liabilities	708,921	692,873
LONG-TERM DEBT	436,241	440,143
DEFERRED INCOME TAXES	26,450	29,972
OTHER LIABILITIES	15,367	15,705
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized		
Common stock, $.01 par value, 90,000,000 shares authorized, 34,000,000 issued	340	340
Additional paid-in capital	410,740	410,718
Retained earnings	29,742	22,645
Treasury stock, at cost; 980,124 and 772,824 shares	(8,544)	(6,630)
Accumulated other comprehensive (loss)	(89)	(122)
Total stockholders' equity	432,189	426,951
Total liabilities and stockholders' equity	$ 1,619,168	$ 1,605,644

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31, 2003	2002
REVENUES:		
New vehicle	$ 636,109	$ 621,018
Used vehicle	304,307	280,856
Parts, service and collision repair	131,207	121,968
Finance and insurance, net	29,649	26,085
Total revenues	1,101,272	1,049,927
COST OF SALES:		
New vehicle	588,691	569,471
Used vehicle	275,458	253,933
Parts, service and collision repair	62,343	57,439
Total cost of sales	926,492	880,843
GROSS PROFIT	174,780	169,084
OPERATING EXPENSES:		
Selling, general and administrative	142,164	130,308
Depreciation and amortization	5,947	5,756
Income from operations	26,669	33,020
OTHER INCOME (EXPENSE):		
Floor plan interest expense	(4,570)	(4,182)
Other interest expense	(9,954)	(9,748)
Interest income	181	314
Net losses from unconsolidated affiliates	--	(100)
Loss on sale of assets	(313)	--
Other, net	(546)	(392)
Total other expense, net	(15,202)	(14,108)
Income before income taxes	11,467	18,912
INCOME TAX EXPENSE:		
Income tax expense	4,564	2,228
Tax adjustment upon conversion from an L.L.C. to a corporation	--	11,553
Total income tax expense	4,564	13,781
Income from continuing operations	6,903	5,131
DISCONTINUED OPERATIONS	194	31
Net income	$ 7,097	5,162
PRO FORMA TAX (BENEFIT) EXPENSE:		
Pro forma income tax expense		5,299
Tax adjustment upon conversion from an L.L.C. to a corporation		(11,553)
Tax affected pro forma net income		$ 11,416
EARNINGS PER SHARE:		
Basic	$ 0.21	$ 0.17
Diluted	$ 0.21	$ 0.17
PRO FORMA EARNINGS PER SHARE:		
Basic		$ 0.37
Diluted		$ 0.37

WEIGHTED AVERAGE SHARES OUTSTANDING (in thousands):		
Basic	33,052	30,400
Diluted	33,053	30,434

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	For the Three Months Ended March 31, 2003	2002
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 7,097	$ 5,162
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	5,947	5,756
Gain on sale of discontinued operations, net of related taxes	(617)	(559)
Deferred income taxes	(1,807)	11,115
Loss from unconsolidated affiliates, net	--	100
Loss on sale of assets	313	--
Amortization of deferred finance fees	1,278	1,044
Change in operating assets and liabilities, net of effects from acquisitions and divestitures-		
Contracts-in-transit	2,254	6,827
Accounts receivable, net	(1,504)	(6,403)
Proceeds from the sale of accounts receivable	4,319	4,448
Inventories	(26,696)	(17,233)
Floor plan notes payable	30,607	4,865
Accounts payable and accrued liabilities	3,015	3,355
Other	5,032	(2,077)
Net cash provided by operating activities	29,238	16,400
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(15,223)	(8,593)
Proceeds from the sale of assets	376	--
Proceeds from sale of discontinued operations	5,776	3,377
Acquisitions (net of cash acquired)	(250)	--
Proceeds from restricted marketable securities	913	913
Purchase of restricted investments	(1,450)	--
Net (issuance) of finance contracts	(1,464)	(850)
Other investing activities	--	(1,901)
Net cash used in investing activities	(11,322)	(7,054)
CASH FLOW FROM FINANCING ACTIVITIES:		
Distributions to members	(3,010)	(4,202)
Contributions	--	800
Repayments of debt	(34,265)	(58,211)
Proceeds from borrowings	21,379	2,509
Proceeds from initial public offering, net	--	67,364
Payment of debt issuance costs	(263)	--
Proceeds from sale/leaseback transactions	16,887	--
Purchase of treasury stock	(3,180)	--
Net cash provided by (used in) financing activities	(2,452)	8,260
Net increase in cash and cash equivalents	15,464	17,606
CASH AND CASH EQUIVALENTS, beginning of period	22,613	60,506
CASH AND CASH EQUIVALENTS, end of period	$ 38,077	$ 78,112
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for-		
Interest (net of amounts capitalized)	$ 8,604	$ 12,880
Income taxes	$ 52	$ 67

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except share data)
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

The consolidated balance sheet at March 31, 2003, the consolidated statements of income for the three-month periods ended March 31, 2003 and 2002, and the consolidated statements of cash flows for the three-month periods ended March 31, 2003 and 2002, are unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods were made. Certain items in the March 31, 2002 financial statements were reclassified to conform to the classification of the March 31, 2003 financial statements. Due to seasonality and other factors, the results of operations for interim periods are not necessarily indicative of the results that would be realized for the entire year.

Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, were omitted. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2002.

All significant intercompany balances and transactions have been eliminated in consolidation.

2. INVENTORIES:

Inventories consisted of the following:

	March 31, 2003	December 31, 2002
New vehicles	$488,950	$477,453
Used vehicles	92,906	86,392
Parts, accessories and other	40,580	40,946
	$622,436	$604,791

3. EARNINGS PER SHARE:

Basic earnings per share is computed by dividing net income by the 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.

The following table sets forth the computation of basic and diluted earnings per share:

	For the Three Months Ended March 31, 2003	2002
Net income applicable to common shares:		
Continuing operations	$6,903	$5,131
Discontinued operations	194	31
	$7,097	$5,162

	For the Three Months Ended March 31, 2003	2002
Earnings per share:		
Basic-		
Continuing operations	$.21	$.17
Discontinued operations	-	-
	$.21	$.17
Diluted-		
Continuing operations	$.21	$.17
Discontinued operations	-	-
	$.21	$.17
Common shares and common share equivalents:		
Weighted-average shares outstanding	33,052	30,400
Basic shares	33,052	30,400
Shares issuable with respect to additional common share equivalents (stock options)	1	34
Diluted equivalent shares	33,053	30,434

4. INTANGIBLE ASSETS AND GOODWILL:

Intangible assets consist of the following (included in other assets on the accompanying consolidated balance sheets):

	March 31, 2003	December 31, 2002
Amortizable intangible assets:		
Noncompete agreements	$ 5,331	$ 5,331
Licensing agreements	1,750	1,750
Lease agreements (amortization is included in rent expense)	6,523	6,527
Total	13,604	13,608
Less - Accumulated amortization	(9,223)	(8,546)
Intangible assets, net	$ 4,381	$ 5,062
Unamortizable intangible assets - franchise rights	$ 8,000	$ 8,000

Amortization expense for the three-month periods ended March 31, 2003 and 2002 was $569 and $598, respectively.

Estimated amortization expense - for the years ended December 31:	
2004	$488
2005	105
2006	101
2007	101
2008	100

The changes in the carrying amounts of goodwill for the period ended March 31, 2003 are as follows:

Balance as of December 31, 2002	$402,133
Additions related to current year acquisitions	126
Goodwill associated with discontinued operations	(1,593)
Balance as of March 31, 2003	$400,666

5. COMPREHENSIVE INCOME:

	For the Three Months Ended March 31,	
	2003	2002
Net income	$ 7,097	$ 5,162
Other comprehensive income, net of tax:		
Change in fair value of interest rate swaps .	--	1,487
Income tax expense	--	(1,230)
	--	257
Reclassification adjustment of loss on interest rate swaps included in net income	57	--
Income tax benefit	(24)	--
Comprehensive income	$ 7,130	$ 5,419

6. EQUITY-BASED COMPENSATION:

The Company accounts for equity-based compensation issued to employees in accordance with Accounting Principles Board ("APB") Opinion No. 25 "Accounting for Stock Issued to Employees." APB No. 25 requires the use of the intrinsic value method, which measures compensation cost as the excess, if any, of the quoted market price of the stock at the measurement date over the amount an employee must pay to acquire the stock. The Company makes disclosures of pro forma net earnings and earnings per share as if the fair-value-based method of accounting had been applied as required by SFAS No. 123 "Accounting for Stock-Based Compensation" and as amended by SFAS No. 148 "Accounting for Stock-Based Compensation - Transition Disclosure."

A reconciliation of the Company's net earnings to pro forma net earnings, and the related pro forma earnings per share amounts, is as follows:

	For the Three Months Ended March 31,	
	2003	2002
Net income	$7,097	$5,162
Adjustment to net earnings for:		
Stock-based compensation expense included in net earnings, net of tax	14	66
Pro forma stock-based compensation expense, net of tax	(923)	(1,193)
Pro forma net income	$6,188	$4,035
Earnings per share:		
Basic - as reported	$.21	$.17
Basic - pro forma	$.19	$.13
Diluted - as reported	$.21	$.17
Diluted - pro forma	$.19	$.13

7. DISCONTINUED OPERATIONS:

During the first quarter of 2003, the Company classified as discontinued operations three dealerships; two of which were divested, and one of which was held for sale as of March 31, 2003. The results of operations are accounted for as discontinued operations in the consolidated statements of income. A summary statement of income information relating to the discontinued operations is as follows:

	For the Three Months Ended March 31, 2003	For the Three Months Ended March 31, 2002
Revenues	$ 4,593	$ 20,980
Cost of sales	3,913	17,897
Gross profit	680	3,083
Operating expenses	1,307	3,431
Loss from operations	(627)	(348)
Other, net	204	(180)
Net loss	(423)	(528)
Gain on disposition of discontinued operations, net of related taxes	617	559
Discontinued operations	$ 194	$ 31

8. PROPERTY AND EQUIPMENT:

During the first quarter of 2003, the Company sold, under four sale/leaseback agreements with an independent third party, certain land and buildings for $16.9 million; a $0.1 million loss was recognized on the sales. Under the agreements, the Company will leaseback the properties from the purchaser over a 20-year period. The Company is accounting for the leasebacks as operating leases. The estimated annual rental expense under these agreements will be approximately $1.6 million.

9. SUBSEQUENT EVENTS:

During the second quarter of 2003, the Company made two acquisitions (three franchises) for approximately $40 million in cash, which was funded under the Company's existing credit facility. The acquisitions' purchase price will be allocated to the underlying assets and liabilities based upon their estimated fair values. The resulting goodwill and intangibles assets from these transactions are estimated to be approximately $ 34 million. The results of operations for these acquisitions will be included in the Company's consolidated results from the date of acquisition.

During the second quarter of 2003, the Company sold land and building, under a sale/leaseback transaction with an independent third party, for $8.5 million, of which $6.4 million was used to repay the current portion of long-term debt. Under the agreement, the Company will leaseback the property from the purchaser over a 22-year period. The Company will account for the leaseback as an operating lease. The estimated annual rental expense under this agreement will be approximately $0.8 million.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Asbury Automotive Group, Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Asbury Automotive Group, Inc. and subsidiaries ("the Company") as of March 31, 2003, and the related condensed consolidated statements of income and cash flows for the three-month periods ended March 31, 2003 and 2002. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Asbury Automotive Group, Inc. and subsidiaries as of December 31, 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2003 (which includes an explanatory paragraph regarding the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets"), we expressed an unqualified opinion on those consolidated financial statements.

/s/ Deloitte & Touche LLP

Stamford, Connecticut
April 28, 2003

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

The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in Item 1 of this report.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003, Compared to Three Months Ended March 31, 2002

Net income for the three months ended March 31, 2003 was $7.1 million or $0.21 per basic and diluted share, including $194,000 of income from discontinued operations. For the three months ended March 31, 2002, pro forma net income from continuing operations was $11.4 million or $0.33 per share The pro forma results for the prior year quarter exclude a nonrecurring deferred income tax provision required by SFAS 109 related to our change in tax status from a limited liability company to a "C" corporation in conjunction with our March 2002 initial public offering ("IPO"), and assumes that we were a publicly traded "C" corporation for the entire period. A reconciliation of pro forma net income from continuing operations to GAAP net income from continuing operations follows - see "Reconciliation of Non-GAAP Financial Information".

Income from continuing operations before income taxes totaled $11.5 million for the three months ended March 31, 2003, down 39% from $18.9 million for the same period last year. The decrease can primarily be attributed to the competitive new car environment, increased margin pressure, deterioration of our expense structure, the poor performance of our Oregon platform as well as operating losses of $1.5 million incurred with the Price 1 used vehicle program.

Revenues-

(dollars in thousands, except for unit and per vehicle data)	For the Three Months Ended March 31, 2003	2002	Increase (Decrease)	% Change
New Vehicle Data:				
Retail revenues - same store (1)	$ 611,673	$ 609,841	$ 1,832	0%
Retail revenues - acquisitions	10,974	--		
Total new retail	622,647	609,841	12,806	2%
Fleet revenues - same store (1)	13,457	11,177	2,280	20%
Fleet revenues - acquisitions	5	--		
Total new fleet revenues	13,462	11,177	2,285	20%
New vehicle revenue, as reported	$ 636,109	$ 621,018	$ 15,091	2%
Retail units - same store (1)	21,888	22,211	(323)	(1%)
Retail units - actual	22,283	22,211	72	0%
Used Vehicle Data:				
Retail revenues - same store (1)	$ 220,007	$ 217,546	$ 2,461	1%
Retail revenues - acquisitions	12,569	--		
Total used retail revenues	232,576	217,546	15,030	7%
Wholesale revenues - same store (1)	62,300	63,310	(1,010)	(2%)
Wholesale revenues - acquisitions	9,431	--		
Total wholesale revenues	71,731	63,310	8,421	13%
Used vehicle revenue, as reported	$ 304,307	$ 280,856	$ 23,451	8%
Retail units - same store (1)	14,569	14,579	(10)	0%
Retail units - actual	15,602	14,579	1,023	7%

(dollars in thousands, except for unit and per vehicle data)	For the Three Months Ended March 31, 2003	2002	Increase (Decrease)	% Change
Parts, Service and Collision Repair:				
Revenues - same store (1)	$ 127,871	$ 121,968	$ 5,903	5%
Revenues - acquisitions	3,336	--		
Parts, service and collision repair revenue, as reported	$ 131,207	$ 121,968	$ 9,239	8%
Finance and Insurance:				
Revenues - same store (1)	$ 28,638	$ 26,085	$ 2,553	10%
Revenues - acquisitions	1,011	--		
Finance and insurance revenue, as reported	$ 29,649	$ 26,085	$ 3,564	14%
Total Revenue:				
Same store (1)	$1,063,946	$1,049,927	$ 14,019	1%
Acquisitions	37,326	--		
Total revenue, as reported	$1,101,272	$1,049,927	$ 51,345	5%

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

Revenues of $1.1 billion for the three months ended March 31, 2003, represented a $51.3 million or 5% increase over the three months ended March 31, 2002. Same store revenue growth accounted for $14.0 million or 1% of the increase with the remainder derived from acquisitions. On a same store basis our new retail units were down 1% despite a difficult economic and political environment which caused the industry to be down 4%. Used retail vehicle unit sales remained flat versus the prior year quarter with a notable 36% increase in our Tampa platform offset by weaknesses in our Arkansas and Oregon platforms. Fixed operations revenues were up 5% on a same store basis, primarily due to continued emphasis on customer retention and expanded product offerings. Same store finance and insurance revenues grew 10% and gross profit per vehicle retailed ("PVR") increased 11%. Contributing to this success was continued strength in product sales, strong penetration rates and the maturing of our preferred provider programs.

Gross Profit-

(dollars in thousands, except for unit and per vehicle data)	For the Three Months Ended March 31, 2003	2002	Increase (Decrease)	% Change
New Vehicle Data:				
Retail gross profit - same store (1)	$ 46,363	$ 51,286	$ (4,923)	(10%)
Retail gross profit - acquisitions	712	--		
Total new retail gross profit	47,075	51,286	(4,211)	(8%)
Fleet gross profit - same store (1)	337	261	76	29%
Fleet gross profit - acquisitions	6	--		
Total new fleet gross profit	343	261	82	31%
New vehicle gross profit, as reported	$ 47,418	$ 51,547	$ (4,129)	(8%)
Retail units - same store (1)	21,888	22,211	(323)	(1%)
Retail units - actual	22,283	22,211	72	0%

(dollars in thousands, except for unit and per vehicle data)	For the Three Months Ended March 31, 2003	2002	Increase (Decrease)	% Change
Used Vehicle Data:				
Retail gross profit - same store (1)	$ 26,887	$ 26,483	$ 404	2%
Retail gross profit - acquisitions	1,723	--		
Total used retail gross profit	28,610	26,483	2,127	8%
Wholesale gross profit - same store (1)	392	440	(48)	(11%)
Wholesale gross profit - acquisitions	(153)	--		
Total wholesale gross profit	239	440	(201)	(46%)
Used vehicle gross profit, as reported	$ 28,849	$ 26,923	$ 1,926	7%
Retail units - same store (1)	14,569	14,579	(10)	0%
Retail units - actual	15,602	14,579	1,023	7%
Parts, Service and Collision Repair:				
Gross profit - same store (1)	$ 66,712	$ 64,529	$ 2,183	3%
Gross profit - acquisitions	2,152	--		
Parts, service and collision repair gross profit, as reported	$ 68,864	$ 64,529	$ 4,335	7%
Finance and Insurance:				
Gross profit - same store (1)	$ 28,638	$ 26,085	$ 2,553	10%
Gross profit - acquisitions	1,011	--		
Finance and insurance gross profit, as reported	$ 29,649	$ 26,085	$ 3,564	14%
Gross profit per vehicle retailed - same store (1)	$ 786	$ 709	$ 77	11%
Gross profit per vehicle retailed - actual	$ 783	$ 709	$ 74	10%
Total Gross Profit:				
Gross profit - same store (1)	$ 169,329	$ 169,084	$ 245	0%
Gross profit - acquisitions	5,451	--		
Total gross profit, as reported	$ 174,780	$ 169,084	$ 5,696	3%

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

Gross profit for the quarter ended March 31, 2003, increased $5.7 million or 3% over the quarter ended March 31, 2002. Same store retail gross profit was flat year over year. We achieved significant same store growth (10%) in finance and insurance and moderate increases in fixed operation (3%) and used vehicle gross profit (2%); however, this was offset by a 11% same store decline in new retail gross profit as a result of our volume focus and margin pressure.

Operating Expenses-

Selling, general and administrative ("SG&A") expenses for the quarter ended March 31, 2003, increased $11.9 million or 9% over the quarter ended March 31, 2002. Incremental expenses from acquisitions and the Price 1 used car program, higher personnel both in dollars and as a percentage of gross profit, increased outside services and rising insurance costs all contributed to the overall increase in SG&A. As a result, SG&A expenses as a percentage of revenues increased to 12.9% from 12.4% for the quarter ended March 31, 2003, compared to the same period in 2002.

Depreciation and Amortization-

Depreciation and amortization expense increased $191,000 to $5.9 million for the quarter ended March 31, 2003, as compared to the same period in

2002. The increase is primarily related to the Price 1 used car stores.

Other Income (Expense)-

Floor plan interest expense increased to $4.6 million for the three months ended March 31, 2003. This 9% increase was primarily due to higher inventory levels in the current quarter and our decision to floor a greater percentage of our vehicles. Non-floor plan interest expense increased by $206,000 from the prior year's first quarter as a result of the incremental interest expense of our Senior Subordinated Notes issuance in June 2002 being mostly offset from the benefits of our consolidated cash management system. Net losses from the sale of assets for the three months ended March 31, 2003 were related primarily to the disposal of certain fixed assets.

Income Tax Provision-

Income tax expense was $4.6 million for the three months ended March 31, 2003 versus $13.8 million for the prior year quarter. For the time period from January 1, 2002 through the date of our IPO, we were structured as a limited liability company and only provided a tax provision in accordance with SFAS 109 for the nine "C" corporations that we owned directly or indirectly during that period. Effective with our IPO, which closed March 19, 2002, we converted to a corporation and became subject to federal, state and local income taxes. During the quarter ended March 31, 2002, we recorded, in accordance with SFAS No. 109, a one-time non-recurring charge of $11.6 million related to the establishment of a net deferred tax liability, in connection with our conversion. This liability represented the difference between the financial statement and tax basis of our assets and liabilities at the conversion date. Our tax rate for the three months ended March 31, 2003, was 39.8% and was based on the estimated effective tax rate for the year.

Discontinued Operations-

Income from discontinued operations for the three months ended March 31, 2003, represented the gain on the sale of two dealerships sold during the quarter offset by the net operating losses of those dealerships as well as the losses of one dealership pending sale as of March 31, 2003.

Income from discontinued operations for the three months ended March 31, 2002 represented the net gain on the sale of dealerships sold during that quarter offset by the operating losses of dealerships, sold or pending sale as of March 31, 2002.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund working capital needs, finance acquisitions of new dealerships and fund capital expenditures. These requirements are met principally from cash flow from operations, borrowings under the Committed Credit Facility and the Floor Plan Facility (as defined below), and mortgage notes. As of March 31, 2003 we had cash and cash equivalents of $38.1 million.

Credit Facilities-

On January 17, 2001, we entered into a committed financing agreement (the "Committed Credit Facility") with Ford Motor Credit Company, General Motors Acceptance Corporation and DaimlerChrysler Services North America, LLC (the "Lenders") with total availability of $550 million. The Committed Credit Facility is used for acquisition financing and working capital purposes. At March 31, 2003, $477.8 million was available for borrowings. All borrowings under the Committed Credit Facility bear interest at variable rates based on 1-month LIBOR plus a specified percentage that is dependent upon our adjusted level of debt leverage as of the end of each calendar quarter.

During January 2003, we reported to the Lenders that we did not meet our fixed charge coverage ratio requirement as of December 31, 2002. Non-financed capital expenditures are deducted from the numerator of our fixed charge coverage covenant calculation. The fixed charge coverage ratio default would therefore not have occurred had we obtained financing for two large self-funded real estate projects by the end of 2002. At the end of the first quarter of 2003, we obtained financing for both properties and we are now in full compliance with all of our financial covenants as required under our various financing arrangements.

During the third quarter of 2002, we obtained consent from the Lenders for a cash management sublimit of $75 million under our Committed Credit Facility. The cash management sublimit allows us to repay up to $75 million of debt outstanding under our Committed Credit facility using cash that has been centrally collected by our cash management system. The net amount repaid under the cash management sublimit may be borrowed by us on short-term notice for general corporate purposes. As of March 31, 2003, we had $18 million available for borrowings under the cash management sublimit.

Floor Plan Financing-

We finance substantially all of our new vehicle inventory and a portion of our used vehicle inventory under the floor plan financing credit facilities (the "Floor Plan Facilities"). The Floor Plan Facilities also provide used vehicle financing up to a fixed percentage of the value of each financed used vehicle. Total availability under the Floor Plan Facilities is $750 million. Amounts financed under the floor plan arrangements bear interest at variable rates, which are typically tied to LIBOR or the prime rate. As of March 31, 2003, we had $559.8 million outstanding under all of our floor plan financing agreements.

Sale/Leaseback Agreements-

During the first quarter of 2003, we sold, under four sale/leaseback agreements with an independent third party, certain land and buildings for $16.9 million; a $0.1 million loss was recognized on the sales. Under the agreements, we will leaseback the properties from the purchaser over a 20-year period. We are accounting for the leasebacks as operating leases. The estimated annual rental expense under these agreements will be approximately $1.6 million.

Subsequent to March 31, 2003, we sold, under a sale back agreement with an independent third party, certain land and building for $8.5 million, of which $6.4 million was used to repay current portion of long-term debt. Under the terms of the agreement, we will leaseback the property from the purchaser for a 22-year period. We will account for the leaseback as an operating lease. The estimated annual rental expense under this agreement will be approximately $800,000.

Acquisitions and Acquisition Financing-

Subsequent to March 31, 2003, we completed the acquisitions of two dealerships (three franchises) for an aggregate purchase price of approximately $40.0 million, all funded through borrowings under our Committed Credit Facility.

Cash Flow

Operating Activities-

Cash flow from operations totaled $29.2 million for the three months ended March 31, 2003 consisting of net income of $7.1 million, non-cash items of $5.1 million (primarily depreciation and amortization) and a $17.0 million net change in operating assets and liabilities. This change is the result of higher floor plan notes payable caused by higher inventories and our decision to floor a greater percentage of our vehicles, increased accounts payable and accrued liabilities due to the timing of payments and decreased net receivables, including contracts-in-transit.

Cash flow from operations totaled $16.4 million for the three months ended March 31, 2002 as net income of $5.2 million plus non-cash items of $17.5 million (primarily depreciation and amortization and deferred income taxes) offset a $6.3 million net change in operating assets and liabilities. This net decrease was due to higher used vehicle inventories without the related increases in floor plan notes payable.

Investing Activities-

Net cash flow used in investing activities for the three months ended March 31, 2003 was $11.3 million, as capital expenditures of $15.2 million, the purchase of restricted investments of $1.5 million, and the net issuance of finance contracts of $1.5 million was offset by proceeds from the sale of discontinued operations of $5.8 million.

Net cash flow used in investing activities for the three months ended March 31, 2002 was $7.1 million, as capital expenditures of $8.6 million and other investing activities of $1.9 million were offset by proceeds from the sale of discontinued operations of $3.4 million.

Financing Activities-

Net cash flow used in financing activities for the three months ended March

31, 2003 was $2.5 million, as net proceeds from borrowings of $21.4 million and proceeds from sale/leaseback transactions of $16.9 million, offset the repayments of debt of $34.3 million, distributions to members, and the repurchase of treasury stock.

Net cash flow provided by financing activities for the three months ended March 31, 2002 was $8.3 million, as proceeds from our initial public offering of $67.4 million and net proceeds from borrowing were offset by repayments of debt of $58.2 million and distributions to members.

Capital Expenditures

Capital spending for the three months ended March 31, 2003 and 2002 was $15.2 million and $8.6 million, respectively. Capital spending other than from acquisitions is expected to be approximately $45 to $50 million for the year ended December 31, 2003 and will be primarily related to operational improvements and manufacturer-required spending to upgrade existing dealership facilities.

Stock Repurchase

In November 2002, the Lenders consented to allow us the ability to repurchase our shares provided that no events of default exist or continue. During 2002, we repurchased 772,824 shares of our common stock for a purchase price of $6.6 million. During January 2003, we repurchased an additional 207,300 shares for an aggregate purchase price of $1.9 million before we suspended our stock repurchase program in connection with the Waiver Agreement with the Lenders. Subsequent to us reporting to the Lenders that we were in compliance with our fixed charge coverage ratio, we resumed our stock repurchase program. From April 1, 2003, to May 9, 2003, we repurchased an additional 179,400 shares for approximately $1.7 million.

Reconciliation of "Non-GAAP" Financial Information

For analysis purposes, in Management's Discussion and Analysis we discuss pro forma net income from continuing operations and related earnings per share for the three months ended March 31, 2002, because that is the measurement favored by analysts. The consolidated statement of income reconciles GAAP net income to tax affected pro forma net income by assuming that we were taxed as a "C" corporation for all twelve months of 2002 and excluding the one-time charge for our conversion from a limited liability company to a corporation. The following table assumes that all discontinued entities were sold prior to 2002 and all shares issued in our IPO were outstanding on January 1, 2002.

(in thousands, except for per share data)

	For the Three Months Ended March 31, 2002
Tax affected pro forma net income	$11,416
Discontinued operations	31
Pro forma net income from continuing operations	$11,385
Pro forma earnings per share:	
Basic	$ 0.33
Diluted	$ 0.33
Pro forma common shares and share equivalents:	
Weighted average shares outstanding-	
Basic	30,400
Adjustment for 4,500 shares offered March 14, 2002 as if offered on January 1, 2002	3,600
Pro forma basic shares	34,000
Shares issuable with respect to additional common share equivalents (stock options)	34
Pro forma diluted shares	34,034

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. Given amounts outstanding at March 31, 2003, a 1% change in the LIBOR rate would result in a change of approximately $2.1 million to our annual non-floor plan interest expense. Based on floor plan amounts outstanding at March 31, 2003, a 1% change in the LIBOR rate would result in a $5.6 million change to annual floor plan interest expense.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As of a date (the "Evaluation Date") within 90 days prior to the date of this report, the Company conducted an evaluation (under the supervision and with the participation of the Company's management, including the chief executive officer and chief financial officer), pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company's chief executive officer and chief financial officer concluded that as of the Evaluation Date: such disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

CHANGES IN INTERNAL CONTROLS

Since the Evaluation Date (last evaluation by the Company's management of the Company's internal controls), there have not been any significant changes in the internal controls or in other factors that could significantly affect the internal controls.

. . .

Forward Looking Information

This report contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements relating to goals, plans and projections regarding the Company's financial position, results of operations, market position, product development and business strategy. These statements are based on management's current expectations and involve significant risks and uncertainties that may cause results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, market factors, the Company's relationships with vehicle manufacturers and other suppliers, risks associated with the Company's substantial indebtedness, risks related to pending and potential future acquisitions, general economic conditions both nationally and locally and governmental regulations and legislation. There can be no guarantees the Company's plans for future operations will be successfully implemented or that they will prove to be commercially successful. These and other risk factors are discussed in the Company's annual report on Form 10-K for the year ended December 31, 2002. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The results of the votes cast at the Company's Annual Meeting on May 8, 2003 were as follows:

Election of Class I Directors:

	For	Withheld
Michael J. Durham	30,839,205	71,184
Thomas R. Gibson	30,809,680	100,709
Thomas C. Israel	30,839,205	71,184
Ben David McDavid	30,794,604	115,785

Ratification of appointment of Deloitte & Touche L.L.P. as independent public accountants for 2003:

For	30,889,331
Against	19,425
Abstain	1,633

Approval of 2002 stock option plan, as amended:

For	26,832,269
Against	556,030
Abstain	6,561
Broker No Vote	3,515,529

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

99.1 -- Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)

99.1 -- Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)

b. Reports on Form 8-K

Report filed February 28, 2003, under Item 9, related to a press release announcing the Company's financial results for the fourth quarter and year ended December 31, 2002.

Report filed April 17, 2003, under Item 5, related to issuance of a press release announcing the Company would release its first quarter financial results before the market opens on April 30, 2003, and that it met the fixed charge coverage requirement under its credit facility as of March 31, 2003.

Report filed April 30, 2003, under Item 9, related to a press release announcing the Company's earnings for the first quarter ended March 31, 2003.

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: May 13, 2003

/s/ Kenneth B. Gilman

Kenneth B. Gilman
Chief Executive Officer

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: May 13, 2003 /s/ Thomas F. Gilman

Thomas F. Gilman
Senior Vice President and Chief Financial Officer

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

I, Kenneth B. Gilman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

(a) Designed such disclosure controls and procedures 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 quarterly report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Kenneth B. Gilman
- ---------------------------------
Kenneth B. Gilman
Chief Executive Officer
May 13, 2003

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

I, Thomas F. Gilman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

(a) Designed such disclosure controls and procedures 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 quarterly report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Thomas F. Gilman
- ---------------------------------
Thomas F. Gilman
Chief Financial Officer
May 13, 2003

Exhibit 99.1

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 period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth B. Gilman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss 1350, as adopted pursuant to ss 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; and

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

/s/ Kenneth B. Gilman
Kenneth B. Gilman
Chief Executive Officer
May 13, 2003

Exhibit 99.2

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 period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas F. Gilman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss 1350, as adopted pursuant to ss 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; and

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

/s/ Thomas F. Gilman
Thomas F. Gilman
Chief Financial Officer
May 13, 2003

Index to Exhibits

Exhibit Number	Description
99.1	Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)
99.1	Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)