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, 2004

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.)

622 Third Avenue, 37th Floor New York, New York	10017
(Address of principal executive offices)	(Zip Code)

(212) 885-2500
(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 |X| No |_|

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of May 5, 2004, was 34,064,456 (net of 1,590,013 treasury shares).

ASBURY AUTOMOTIVE GROUP, INC.
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PART I. FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

ASSETS	March 31, 2004 (Unaudited)	December 31, 2003
CURRENT ASSETS:		
Cash and cash equivalents	$ 45,986	$ 106,711
Contracts-in-transit	97,373	93,881
Restricted investments	1,637	1,591
Accounts receivable (net of allowance of $2,168 and $2,371, respectively)	117,922	114,201
Inventories	707,513	650,397
Deferred income taxes	8,766	8,811
Prepaid and other assets	45,719	36,417
Assets held for sale	44,040	29,533
Total current assets	1,068,956	1,041,542
PROPERTY AND EQUIPMENT, net	270,451	266,991
GOODWILL	430,625	404,143
RESTRICTED INVESTMENTS, net of current portion	2,012	2,974
OTHER ASSETS	108,998	98,629
Total assets	$ 1,881,042	$ 1,814,279

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Floor plan notes payable	$ 625,153	$ 602,167
Current maturities of long-term debt	34,839	33,250
Accounts payable	43,314	42,882
Accrued liabilities	95,402	78,727
Liabilities associated with assets held for sale	37,877	24,732
Total current liabilities	836,585	781,758
LONG-TERM DEBT	557,100	559,128
DEFERRED INCOME TAXES	21,474	22,179
OTHER LIABILITIES	23,023	17,507
COMMITMENTS AND CONTINGENCIES (Note 12)		
SHAREHOLDERS' EQUITY:		
Preferred stock, $.01 par value per share, 10,000,000 shares authorized --		
-- Common stock, $.01 par value per share, 90,000,000 shares authorized,		
		34,026,317
and 34,022,008 shares issued, including shares held in treasury, respectively	340	340
Additional paid-in capital	411,147	411,082
Retained earnings	48,196	37,832
Treasury stock, at cost, 1,590,013 shares held	(15,064)	(15,064)
Accumulated other comprehensive loss	(1,759)	(483)
Total shareholders' equity	442,860	433,707
Total liabilities and shareholders' equity	$ 1,881,042	$ 1,814,279

See Notes to Consolidated Financial Statements.

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

	For the Three Months Ended March 31, 2004	2003
REVENUES:		
New vehicle	$ 725,278	$ 625,035
Used vehicle	317,411	287,228
Parts, service and collision repair	147,345	127,379
Finance and insurance, net	33,194	28,830
Total revenues	1,223,228	1,068,472
COST OF SALES:		
New vehicle	671,822	578,198
Used vehicle	289,277	259,650
Parts, service and collision repair	71,088	60,224
Total cost of sales	1,032,187	898,072
GROSS PROFIT	191,041	170,400
OPERATING EXPENSES:		
Selling, general and administrative	153,579	136,987
Depreciation and amortization	5,139	4,739
Income from operations	32,323	28,674
OTHER INCOME (EXPENSE):		
Floor plan interest expense	(4,989)	(4,418)
Other interest expense	(10,322)	(9,954)
Interest income	275	180
Loss on sale of assets	(42)	(291)
Other expense	(162)	(549)
Total other expense, net	(15,240)	(15,032)
Income from continuing operations before income taxes	17,083	13,642
INCOME TAX EXPENSE	6,406	5,430
Income from continuing operations	10,677	8,212
DISCONTINUED OPERATIONS, net of tax	(313)	(1,115)
Net income	$ 10,364	$ 7,097
EARNINGS PER COMMON SHARE (basic and diluted)	$ 0.32	$ 0.21
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	32,435	33,052
Diluted	32,721	33,053

See Notes to Consolidated Financial Statements.

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

	For the Three Months Ended March 31, 2004	2003
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 10,364	$ 7,097
Adjustments to reconcile net income to net cash (used in) provided by operating activities-		
Depreciation and amortization	5,139	4,739
Depreciation and amortization from discontinued operations	67	746
Amortization of deferred financing fees	533	1,278
Change in allowance for doubtful accounts	(203)	(19)
Loss on sale of assets	42	291
Loss (gain) on sale of discontinued operations	168	(816)
Change in deferred income taxes	(660)	(1,832)
Other adjustments	1,546	643
Changes in operating assets and liabilities, net of acquisitions and divestitures-		
Contracts-in-transit	(3,492)	2,254
Accounts receivable	(8,767)	(1,485)
Proceeds from the sale of accounts receivable	5,248	4,319
Inventories	(47,020)	(26,627)
Prepaid and other assets	(5,496)	(3,623)
Floor plan notes payable	17,790	30,607
Accounts payable and accrued liabilities	17,344	11,295
Other assets and liabilities	(1,508)	(232)
Net cash (used in) provided by operating activities	(8,905)	28,635
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(12,306)	(14,445)
Payments for acquisitions	(38,149)	(250)
Proceeds from the sale of assets	357	327
Proceeds from the sale of discontinued operations	445	1,591
Maturity of restricted marketable securities	916	913
Net issuance of finance contracts	(55)	(1,464)
Other investing activities	(3)	(1,450)
Net cash used in investing activities	(48,795)	(14,778)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2,832	20,962
Repayments of debt	(10,288)	(13,165)
Proceeds from sale leaseback activity	4,386	--
Purchase of treasury stock	--	(3,180)
Distributions to members	--	(3,010)
Proceeds from the exercise of stock options	45	--
Net cash (used in) provided by financing activities	(3,025)	1,607
Net (decrease) increase in cash and cash equivalents	(60,725)	15,464
CASH AND CASH EQUIVALENTS, beginning of period	106,711	22,613
CASH AND CASH EQUIVALENTS, end of period	$ 45,986	$ 38,077

See Note 11 for supplemental cash flow information

See Notes to Consolidated Financial Statements.

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

1. DESCRIPTION OF BUSINESS

Asbury Automotive Group, Inc. is a national automotive retailer, operating 140 franchises at 100 dealerships as of March 31, 2004. We offer an extensive range of automotive products and services, including new and used vehicles and related finance and insurance, vehicle maintenance and repair services, replacement parts and service contracts. We offer 35 domestic and foreign brands of new vehicles, including four heavy truck brands. Our retail network is organized into nine regional dealership groups, or "platforms," which are located in 20 markets in Southeastern, Midwestern, Southwestern and Northwestern United States. In addition to our nine platforms, we operate two dealerships in two markets in Northern California with the intention of ultimately building a platform in Northern California through additional "tuck in" acquisitions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim consolidated financial statements reflect the consolidated accounts of Asbury Automotive Group, Inc. and our wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current period presentation.

In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) considered necessary for a fair presentation of the interim consolidated financial statements as of March 31, 2004, and for the three months ended March 31, 2004 and 2003 have been included. The results of operations for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the full year. Our interim 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, 2003.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary.

Revenue Recognition

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title, signing of the sales contract and approval of financing. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or at the time vehicle service work is performed. Manufacturer incentives and rebates, including holdbacks, are recognized when they are earned under the respective manufacturers' incentive programs.

We receive commissions from the sale of vehicle service contracts, credit life insurance and disability insurance to customers. In addition, we arrange financing for customers and receive commissions from financing institutions. We may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenues, net of estimated chargebacks, are included in finance and insurance revenue in the accompanying Consolidated Statements of Income.

Stock-Based Compensation

We account for stock-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. We have adopted the disclosure provisions of Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-An amendment of FASB Statement No. 123." The following table illustrates the effect on net income and net income per share had stock-based employee compensation been recorded based on the fair value method under SFAS No. 123:

(In thousands, except per share data)	For the Three Months Ended March 31, 2004	2003
Net income-as reported	$10,364	$ 7,097
Adjustments to net income:		
Stock-based compensation expense included in net income, net of tax	20	14
Pro forma stock-based compensation expense, net of tax	(1,189)	(812)
Pro forma net income	$ 9,195	$ 6,299
Net income per common share--basic and diluted (as reported)	$ 0.32	$ 0.21
Pro forma net income per common share--basic and diluted	$ 0.28	$ 0.19

The measure of fair value most often employed under SFAS No. 123, and used by us, is the Black-Scholes option valuation model ("Black-Scholes"). Traded options, unlike our stock-based awards, are not subject to vesting restrictions, are fully transferable and may use lower expected stock price volatility measures than those assumed below. We estimated the fair value of stock-based compensation issued to employees during each respective period using Black-Scholes with the following assumptions:

	For the Three Months Ended March 31, 2004	2003
Risk free interest rate	2.3%	2.5%
Expected life of options	4 years	5 years
Expected stock price volatility	53%	61%
Expected dividend yield	N/A	N/A

Discontinued Operations

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," certain amounts reflected in the accompanying Consolidated Balance Sheets as of March 31, 2004 and December 31, 2003, have been classified as Assets Held for Sale and Liabilities Associated with Assets Held for Sale. In addition, the accompanying Consolidated Statement of Income and Consolidated Statement of Cash Flows for the three months ended March 31, 2003, have been reclassified to reflect the status of our discontinued operations as of March 31, 2004, as though the businesses pending disposition had been classified as discontinued operations during the respective periods presented.

3. ACQUISITIONS

During the three months ended March 31, 2004 we acquired three automotive dealership locations (three franchises) for an aggregate purchase price of $38.1 million and during the three months ended March 31, 2003 we acquired one ancillary business for $0.3 million. Acquisitions during the first quarter of 2004 and 2003 were funded through the use of our working capital.

The allocation of purchase price for acquisitions is as follows:

(In thousands)	For the Three Months Ended March 31, 2004	2003
Working capital	$ 3,102	$ -
Fixed assets	1,367	154
Other assets	193	-
Goodwill	26,487	125
Franchise rights	7,000	-
Other liabilities	-	(29)
Total purchase price	$ 38,149	$ 250

The allocation of purchase price to assets acquired and liabilities assumed for certain current and prior year acquisitions has been based on preliminary estimates of fair value and may be revised as additional information concerning valuation of such assets and liabilities becomes available. Assets and liabilities recorded for certain acquisitions are subject to final purchase price adjustments for items such as the seller's representations regarding the adequacy of certain reserves.

4. INVENTORIES

Inventories consist of the following:

(In thousands)	March 31, 2004	December 31, 2003
New vehicles	$ 565,831	$ 517,227
Used vehicles	99,011	90,683
Parts and accessories	42,671	42,487
Total inventories	$ 707,513	$ 650,397

The lower of cost or market reserves for inventory were $4.7 million and $4.6 million as of March 31, 2004 and December 31, 2003, respectively.

5. GOODWILL AND MANUFACTURER FRANCHISE RIGHTS

Goodwill represents the excess cost of businesses acquired over the fair market value of the identifiable net assets. Goodwill is allocated to each reporting unit at the platform level. The changes in the carrying amount of goodwill for the three months ended March 31, 2004 are as follows:

(In thousands)	
Balance, December 31, 2003	$ 404,143
Current year acquisitions	26,487
Adjustments associated with prior year acquisitions	216
Current year divestitures	(221)
Balance, March 31, 2004	$ 430,625

During the three months ended March 31, 2004, we allocated $7.0 million of the purchase price of our acquisitions to manufacturer franchise rights. Manufacturer franchise rights totaled $45.0 million and $38.0 million as of March 31, 2004 and December 31, 2003, respectively.

6. ASSETS HELD FOR SALE

Assets and liabilities classified as held for sale as of March 31, 2004 include five dealership locations (six franchises) and real estate associated with two former dealership locations. Assets and liabilities classified as held for sale as of December 31, 2003 include two dealership locations (three franchises) and real estate associated with two former dealership locations.

In addition, assets classified as held for sale as of March 31, 2004 and December 31, 2003 include real estate that we intend to sell under sale/leaseback agreements in the future. In connection with anticipated sale/leaseback transactions, we incurred costs associated with the acquisition of real estate and the construction of facilities that are expected to be completed and sold within one year. Accordingly, these costs are included in Assets Held for Sale on the accompanying Consolidated Balance Sheets. The book value of the land and construction-in-progress totaled $27.2 million and $22.8 million as of March 31, 2004 and December 31, 2003, respectively. Under these agreements, an unaffiliated third party purchased land at its fair value and is advancing funds to us equal to the cost of construction incurred for the facilities. We capitalize the cost of the land, construction and rent during the construction period, and record a corresponding liability equal to the amount of the advanced funds, included in Liabilities Associated with Assets Held for Sale on the accompanying Consolidated Balance Sheets. Upon completion of the construction, we will execute the sale/leaseback and remove the cost of the land and the related liability from the accompanying Consolidated Balance Sheets.

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

(In thousands)	March 31, 2004	December 31, 2003
Assets:		
Inventories	$ 12,003	$ 2,116
Property and equipment, net	32,037	27,417
Other	-	-
Total assets	44,040	29,533
Liabilities:		
Floor plan notes payable	10,715	1,954
Other liabilities	27,162	22,778
Total liabilities	37,877	24,732
Net assets held for sale	$ 6,163	$ 4,801

7. LONG-TERM DEBT

Long-term debt consists of the following:

(In thousands)	March 31, 2004	December 31, 2003
9% Senior Subordinated Notes due 2012	$ 250,000	$ 250,000
8% Senior Subordinated Notes due 2014	200,000	200,000
Mortgage notes payable	113,616	116,664
Notes payable collateralized by loaner vehicles	19,422	15,744
Non-interest bearing note payable to former shareholders	3,445	4,228
Capital lease obligations	4,009	4,226
Other notes payable	1,447	1,516
	591,939	592,378
Less--current portion	(34,839)	(33,250)
Long-term debt	$ 557,100	$ 559,128

8. COMPREHENSIVE INCOME

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

(In thousands)	For the Three Months Ended March 31, 2004	2003
Net income	$ 10,364	$ 7,097
Other comprehensive income:		
Change in fair value of interest rate swaps	(2,071)	-
Income tax benefit (expense) associated with interest rate swaps	795	-
	(1,276)	-
Reclassification adjustment of loss on interest rate swaps included in net income	-	57
Income tax expense associated with interest rate swaps	-	(24)
Comprehensive income	$ 9,088	$ 7,130

9. DISCONTINUED OPERATIONS AND DIVESTITURES

As of March 31, 2004 five dealership locations (six franchises) and real estate associated with two former dealership locations were pending disposition. The accompanying Consolidated Statement of Income for the three months ended March 31, 2003 has been reclassified to reflect the status of our discontinued operations as of March 31, 2004, as though the businesses pending disposition had been classified as discontinued operations during the respective periods presented.

The following table provides further information regarding our discontinued operations as of March 31, 2004, including businesses sold prior to March 31, 2004 and businesses pending disposition as of March 31, 2004:

	For the Three Months Ended March 31, 2004			For the Three Months Ended March 31, 2003		
(Dollars in thousands)	Sold	Pending Disposition	Total	Sold*	Pending Disposition**	Total
Franchises	1	6	7	6	6	12
Used-only locations	--	--	--	10	--	10
Ancillary businesses	--	--	--	2	--	2
Revenues	$ --	$ 15,112	$ 15,112	$ 20,307	$ 16,980	$ 37,287
Cost of sales	--	12,863	12,863	17,775	14,453	32,228
Gross profit	--	2,249	2,249	2,532	2,527	5,059
Operating expenses	8	2,478	2,486	4,848	2,656	7,504
Loss from operations	(8)	(229)	(237)	(2,316)	(129)	(2,445)
Other expense, net	--	(96)	(96)	(82)	(147)	(229)
Net loss	(8)	(325)	(333)	(2,398)	(276)	(2,674)
(Loss) gain on disposition of discontinued operations	(168)	--	(168)	816	--	816
Loss before income taxes	(176)	(325)	(501)	(1,582)	(276)	(1,858)
Related tax benefit	66	122	188	632	111	743
Discontinued operations, net of tax	$ (110)	$ (203)	$ (313)	$ (950)	$ (165)	$ (1,115)

* Businesses were pending disposition as of March 31, 2003
** Businesses were pending disposition as of March 31, 2004

10. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted-average common shares outstanding during the periods presented. Diluted earnings per share is computed by dividing net income by the weighted-average common shares and common share equivalents outstanding during the periods presented.

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

(In thousands, except per share data)	For the Three Months Ended March 31, 2004	2003
Net income:		
Continuing operations	$ 10,677	$ 8,212
Discontinued operations	(313)	(1,115)
	$ 10,364	$ 7,097
Earnings per share - basic and diluted:		
Continuing operations	$ 0.33	$ 0.25
Discontinued operations	(0.01)	(0.04)
	$ 0.32	$ 0.21
Common shares and common share equivalents:		
Weighted average shares outstanding - basic	32,435	33,052
Common share equivalents (stock options)	286	1
Weighted average shares outstanding - diluted	32,721	33,053

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended March 31, 2004 and 2003, we made interest payments, net of amounts capitalized, totaling $11.8 million and $8.4 million, respectively. During the three months ended March 31, 2004, we received $1.5 million of proceeds associated with our interest rate swap agreement that was entered into in December 2003 in connection with the issuance of our 8% Senior Subordinated Notes due 2014.

During the three months ended March 31, 2004 and 2003, we made income tax payments totaling $0.1 million and $0.1 million, respectively.

During the three months ended March 31, 2003, approximately $4.5 million of the proceeds from the sale of dealerships were paid directly to the Lenders of our Committed Credit Facility. We received all proceeds from dealerships we sold during the three months ended March 31, 2004 directly from the purchasers.

During the three months ended March 31, 2003, approximately $16.6 million of the proceeds from sale/leaseback transactions were paid directly to our lenders. We did not sell any land or buildings in connection with sale/leaseback agreements during the three months ended March 31, 2004.

During the three months ended March 31, 2003, we entered into capital leases for land and buildings of $0.4 million. We did not enter into any capital lease agreements during the three months ended March 31, 2004.

During the three months ended March 31, 2004 and 2003, we borrowed $7.0 million and $4.6 million, respectively, under our loaner vehicle financing arrangements in connection with the purchase of loaner vehicles.

12. COMMITMENTS AND CONTINGENCIES

Litigation

We are involved in legal proceedings and claims, which arise in the ordinary course of business and with respect to certain of these claims, we have been indemnified by the sellers of dealerships we have acquired. We do not expect that the amount of ultimate liability with respect to the legal proceedings and claims will materially affect our financial condition, liquidity, results of operations or financial statement disclosures.

Guarantees

We have guaranteed two loans made by financial institutions directly to one of our former platform executives and to a non-consolidated entity controlled by a current platform executive, which totaled approximately $4.1 million as of March 31, 2004. One of these guarantees, made on behalf of a former platform executive, was made in conjunction with the former executive acquiring equity in us. The primary obligor of this note is the former platform executive. This guarantee was made in November 1998, at which point we believed that it was important for each of the individuals to have equity at risk. The second loan that we guarantee was made by a corporation we acquired in October 1998 and guarantees an industrial revenue bond, which we are legally required to guarantee. The primary obligor of the note is a non-dealership business entity and that entity's partners as individuals.

In addition, we have other guarantees in the ordinary course of business, which we believe will not have a material impact on our results of operations or financial position.

Environmental Matters

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.

13. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Our 8% Senior Subordinated Notes due 2014 are guaranteed by all of our current subsidiaries, other than our current Toyota and Lexus dealership subsidiaries, and all of our future domestic restricted subsidiaries, other than our future Toyota and Lexus dealership facilities. The following tables set forth, on a condensed consolidating basis, our balance sheets, statements of income and statements of cash flows, for our guarantor and non-guarantor subsidiaries for all financial statement periods presented in our interim consolidated financial statements.

Condensed Consolidating Balance Sheet
As of March 31, 2004

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ --	$ 42,176	$ 3,810	$ --	$ 45,986
Inventories	--	654,520	52,993	--	707,513
Other current assets	--	217,352	54,065	--	271,417
Assets held for sale	--	44,040	--	--	44,040
Total current assets	--	958,088	110,868	--	1,068,956
Property and equipment, net	--	265,510	4,941	--	270,451
Goodwill	--	369,589	61,036	--	430,625
Other assets	--	98,327	12,683	--	111,010
Investment in subsidiaries	442,860	84,501	--	(527,361)	--
Total assets	$ 442,860	$1,776,015	$ 189,528	$ (527,361)	$1,881,042
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Floor plan notes payable	$ --	$ 580,552	$ 44,601	$ --	$ 625,153
Other current liabilities	--	119,403	54,152	--	173,555
Liabilities associated with assets held for sale	--	37,877	--	--	37,877
Total current liabilities	--	737,832	98,753	--	836,585
Long-term debt	--	557,052	48	--	557,100
Other liabilities	--	38,271	6,226	--	44,497
Shareholders' equity	442,860	442,860	84,501	(527,361)	442,860
Total liabilities and shareholders' equity	$ 442,860	$1,776,015	$ 189,528	$ (527,361)	$1,881,042

Condensed Consolidating Balance Sheet
As of December 31, 2003

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ --	$ 98,927	$ 7,784	$ --	$ 106,711
Inventories	--	601,923	48,474	--	650,397
Other current assets	206,910	47,991	254,901		
Assets held for sale	--	29,533	--	--	29,533
Total current assets	--	937,293	104,249	--	1,041,542
Property and equipment, net	--	262,450	4,541	--	266,991
Goodwill	--	342,831	61,312	--	404,143
Other assets	--	90,800	10,803	--	101,603
Investment in subsidiaries	433,707	69,240	--	(502,947)	--
Total assets	$ 433,707	$1,702,614	$ 180,905	$ (502,947)	$1,814,279
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Floor plan notes payable	$ --	$ 558,586	$ 43,581	$ --	$ 602,167
Other current liabilities	--	93,064	61,795	--	154,859
Liabilities associated with assets held for sale	--	24,732	--	--	24,732
Total current liabilities	--	676,382	105,376	--	781,758
Long-term debt	--	559,079	49	--	559,128
Other liabilities	--	33,446	6,240	--	39,686
Shareholders' equity	433,707	433,707	69,240	(502,947)	433,707
Total liabilities and shareholders' equity	$ 433,707	$1,702,614	$ 180,905	$ (502,947)	$1,814,279

Condensed Consolidating Statement of Income
For the Three Months Ended March 31, 2004

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Revenues	$ --	$ 1,062,887	$ 163,776	$ (3,435)	$ 1,223,228
Cost of sales	--	895,622	140,000	(3,435)	1,032,187
Gross profit	--	167,265	23,776	--	191,041
Operating expenses:					
Selling, general and administrative	--	136,615	16,964	--	153,579
Depreciation and amortization	--	4,740	399	--	5,139
Income from operations	--	25,910	6,413	--	32,323
Other income (expense):					
Floor plan interest expense	--	(4,651)	(338)	--	(4,989)
Other interest expense	--	(9,255)	(1,067)	--	(10,322)
Other income (expense)	--	79	(8)	--	71
Equity in earnings of subsidiaries	10,364	3,125	--	(13,489)	--
Total other expense, net	10,364	(10,702)	(1,413)	(13,489)	(15,240)
Income from continuing operations before income taxes	10,364	15,208	5,000	(13,489)	17,083
Income tax expense	--	4,531	1,875	--	6,406
Income from continuing operations	10,364	10,677	3,125	(13,489)	10,677
Discontinued operations, net of tax	--	(313)	--	--	(313)
Net income	$ 10,364	$ 10,364	$ 3,125	$ (13,489)	$ 10,364

Condensed Consolidating Statement of Income
For the Three Months Ended March 31, 2003

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Revenues	$ --	$ 925,461	$ 146,191	$ (3,180)	$ 1,068,472
Cost of sales	--	776,233	125,019	(3,180)	898,072
Gross profit	--	149,228	21,172	--	170,400
Operating expenses:					
Selling, general and administrative	--	121,021	15,966	--	136,987
Depreciation and amortization	--	4,292	447	--	4,739
Income from operations	--	23,915	4,759	--	28,674
Other income (expense):					
Floor plan interest expense	--	(4,114)	(304)	--	(4,418)
Other interest expense	--	(8,943)	(1,011)	--	(9,954)
Other income (expense)	--	(515)	(145)	--	(660)
Equity in earnings of subsidiaries	7,097	1,986	--	(9,083)	--
Total other expense, net	7,097	(11,586)	(1,460)	(9,083)	(15,032)
Income from continuing operations before income taxes	7,097	12,329	3,299	(9,083)	13,642
Income tax expense	--	4,117	1,313	--	5,430
Income from continuing operations	7,097	8,212	1,986	(9,083)	8,212
Discontinued operations, net of tax	--	(1,115)	--	--	(1,115)
Net income	$ 7,097	$ 7,097	$ 1,986	$ (9,083)	$ 7,097

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2004

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash used in operating activities	$ --	$ (6,356)	$ (2,549)	$ --	$ (8,905)
Cash flow from investing activities:					
Capital expenditures	--	(11,692)	(614)	--	(12,306)
Payments for acquisitions	--	(38,149)	--	--	(38,149)
Other investing activities	--	1,660	--	--	1,660
Net cash used in investing activities	--	(48,181)	(614)	--	(48,795)
Cash flow from financing activities:					
Proceeds from borrowings	--	2,832	--	--	2,832
Repayments of debt	--	(9,477)	(811)	--	(10,288)
Proceeds from sale leaseback activity	--	4,386	--	--	4,386
Other financing activities	--	45	--	--	45
Net cash used in financing activities	--	(2,214)	(811)	--	(3,025)
Net decrease in cash and cash equivalents	--	(56,751)	(3,974)	--	(60,725)
Cash and cash equivalents, beginning of period	--	98,927	7,784	--	106,711
Cash and cash equivalents, end of period	$ --	$ 42,176	$ 3,810	$ --	$ 45,986

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2003

	Parent Company	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash provided by operating activities	$ --	$ 27,007	$ 1,628	$ --	$ 28,635
Cash flow from investing activities:					
Capital expenditures	--	(14,300)	(145)	--	(14,445)
Payments for acquisitions	--	(250)	--	--	(250)
Other investing activities	--	(83)	--	--	(83)
Net cash used in investing activities	--	(14,633)	(145)	--	(14,778)
Cash flow from financing activities:					
Proceeds from borrowings	--	20,962	--	--	20,962
Repayments of debt	--	(12,321)	(844)	--	(13,165)
Purchase of treasury stock	--	(3,180)	--	--	(3,180)
Distributions to members	--	(3,010)	--	--	(3,010)
Net cash provided by (used in) financing activities	--	2,451	(844)	--	1,607
Net increase in cash and cash equivalents	--	14,825	639	--	15,464
Cash and cash equivalents, beginning of period	--	18,779	3,834	--	22,613
Cash and cash equivalents, end of period	$ --	$ 33,604	$ 4,473	$ --	$ 38,077

14. SUBSEQUENT EVENTS

Acquisitions

During the second quarter of 2004, we acquired one dealership location (one franchise) in Northern California and two dealership locations (two franchises) in Southern California for a total purchase price of $33.2 million through the use of our working capital. We estimate annual revenues of the acquired franchises will total approximately $144.0 million, based on historical performance.

Exchange of 8% Senior Subordinated Notes due 2014

In May 2004, we completed the exchange of all of our outstanding 8% Senior Subordinated Notes due 2014 for $200.0 million of new notes with identical terms that have been registered under the Securities Act of 1933, as amended.

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Shareholders of 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, 2004, and the related condensed consolidated statements of income and cash flows for the three-month periods ended March 31, 2004 and 2003. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews 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 and 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 reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim 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 the Company as of December 31, 2003, 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 March 5, 2004 (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 30, 2004

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

OVERVIEW

We are a national automotive retailer, operating 140 franchises at 100 dealership locations in 11 states and 22 markets in the U.S., offering 35 different brands of vehicles, including four heavy truck brands. We also operate 23 collision repair centers that serve our markets.

Our revenues are derived primarily from three basic products: (i) the sale of new and used vehicles; (ii) maintenance and collision repair services and the sale of automotive parts (collectively, "fixed operations"); and (iii) the arrangement of vehicle financing and the sale of various insurance and warranty products (collectively, "F&I"). We evaluate the results of our new and used vehicle sales based on unit volumes and gross profit per vehicle retailed ("PVR"); our fixed operations based on gross profit dollars; and F&I based on gross profit PVR.

Since inception, we have grown through the acquisition of nine platforms and numerous "tuck-in" acquisitions. "Tuck-in" acquisitions are the purchase of dealerships in the market areas of our existing platforms. We use "tuck-in" acquisitions to increase the amount of vehicle brands we offer in a particular market area. In addition to our nine established platforms, we operate two franchises in Northern California and acquired three franchises in Southern California during the second quarter of 2004, with the intention of ultimately building platforms in each of these respective regions through additional acquisitions. All acquisitions were accounted for using the purchase method of accounting and the operations of the acquired dealerships are included in the consolidated statements of income commencing on the date acquired. We evaluate the organic growth of our revenue and gross profit on a same store basis.

Our gross profit percentage varies with our revenue mix. The sale of vehicles generally results in lower gross profit percentage than our fixed operations. As a result, when vehicle sales decrease as a percentage of total sales, we expect that our overall gross profit percentage would increase.

Selling, general and administrative expenses consist primarily of fixed and incentive-based compensation, advertising, rent, insurance, utilities and other typical operating expenses. A significant portion of our selling expenses is variable (such as sales commissions), or controllable expenses (such as advertising), generally allowing our cost structure to adapt in response to trends in our business. We evaluate commissions paid to salespeople as a percentage of retail vehicle gross profit and all other selling, general and administrative expenses in the aggregate as a percentage of gross profit.

Sales of motor vehicles (particularly new vehicles) have historically fluctuated with general macroeconomic conditions, including consumer confidence, availability of consumer credit and fuel prices. Although these factors may impact our business, we believe that any future negative trends may be mitigated by the performance of our used vehicle sales, fixed operations, our variable cost structure, regional diversity and advantageous brand mix.

Our operations are subject to modest seasonal variations that are somewhat offset by our regional diversity. We typically generate more revenue and operating income in the second and third quarters than in the first and fourth quarters. Seasonality is based upon, among other factors, weather conditions, manufacturer incentive programs, model changeovers and consumer buying patterns.

Over the past several years certain automobile manufacturers have used a combination of vehicle pricing and financing incentive programs to stimulate customer demand for new vehicles. These programs serve to increase competition for late model used vehicles. We foresee the manufacturers continuing to use these incentive programs in the future and, as a result, we will continue to monitor our used inventory mix in order to carry higher levels of used vehicle inventory at lower price points, thereby reducing competition with our new vehicle sales. In addition, we expect to continue to expand our service capacity in order to meet anticipated future demand, as the relatively high volume of new vehicle sales resulting from the highly "incentivized" new vehicle market will drive service demand in the future.

We expect the industry-wide gain in market share of the luxury and mid-line import brands to continue in the near future. We feel that our brand mix, which is heavily weighted toward these brands, is well positioned to take advantage of this continued shift in customer buying habits.

Interest rates over the past several years have been at historical lows. We do not believe that changes in interest rates significantly impact customer buying patterns, as changes in interest rates do not dramatically increase the monthly payment of a financed vehicle. For example, the monthly payment for a typical vehicle financing transaction in which a customer finances $25,000 at 5.5% over 60 months only increases by $5.80 with a 50 basis point increase in interest rates.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2004, Compared to Three Months Ended March 31, 2003

Net income increased $3.3 million, or $0.11 per basic share, to $10.4 million, or $0.32 per basic share, for the three months ended March 31, 2004, from $7.1 million or $0.21 per basic share, for the three months ended March 31, 2003.

Income from continuing operations increased $2.5 million, or $0.08 per basic share, to $10.7 million, or $0.33 per share, for the three months ended March 31, 2004, from $8.2 million, or $0.25 per share, for the three months ended March 31, 2003.

The increases in net income and income from continuing operations are a result of several factors, including: (i) the operations of franchises we acquired during 2003 and the first quarter of 2004, (ii) the sale of non-profitable dealerships (iii) our continued focus on cost reduction and (iv) a significant improvement in the performance of our Arkansas and Oregon platforms. Improvements in the cost structure of our Oregon platform and increased used vehicle retail unit sales have led to a significant improvement in net income from continuing operations at the platform compared to the same period of the prior year. These improvements in our operations were offset by a decline in the performance of our Texas platform compared to the prior year period. Our Texas platform has been negatively impacted by a loss of market share in Houston, a significant reduction in the gross profit recognized on the sale of certain brands of new vehicles and general economic conditions in Texas.

Revenues

(Dollars in thousands)	For the Three Months Ended March 31, 2004	2003	Increase (Decrease)	% Change
New vehicle data:				
Retail revenues-same store (1)	$ 647,696	$ 611,600	$ 36,096	6%
Retail revenues-acquisitions	62,715	--		
Total new retail revenues	710,411	611,600	98,811	16%
Fleet revenues-same store (1)	14,867	13,435	1,432	11%
Fleet revenues-acquisitions	--	--		
Total fleet revenues	14,867	13,435	1,432	11%
New vehicle revenue, as reported	$ 725,278	$ 625,035	$ 100,243	16%
New retail units-same store (1)	21,796	21,767	29	--
New retail units-actual	23,869	21,767	2,102	10%
Used vehicle data:				
Retail revenues-same store (1)	$ 216,357	$ 223,638	$ (7,281)	(3%)
Retail revenues-acquisitions	22,773	--		
Total used retail revenues	239,130	223,638	15,492	7%
Wholesale revenues-same store (1)	71,213	63,590	7,623	12%
Wholesale revenues-acquisitions	7,068	--		
Total wholesale revenues	78,281	63,590	14,691	23%
Used vehicle revenue, as reported	$ 317,411	$ 287,228	$ 30,183	11%
Used retail units-same store (1)	14,540	14,750	(210)	(1%)
Used retail units-actual	15,782	14,750	1,032	7%

(Dollars in thousands)	For the Three Months Ended March 31, 2004	2003	Increase (Decrease)	% Change
Parts, service and collision repair:				
Revenues-same store (1)	$ 134,105	$ 127,379	$ 6,726	5%
Revenues-acquisitions	13,240	--		
Parts, service and collision repair revenue, as reported	$ 147,345	$ 127,379	$ 19,966	16%
Finance and insurance, net:				
Platform revenues-same store (1)	$ 30,198	$ 28,830	$ 1,368	5%
Platform revenues-acquisitions	2,157	--		
Platform finance and insurance, net	32,355	28,830	3,525	12%
Corporate revenues	839	--		
Finance and insurance revenue, as reported	$ 33,194	$ 28,830	$ 4,364	15%
Total revenue:				
Same store (1)	$1,114,436	$1,068,472	$ 45,964	4%
Corporate	839	--		
Acquisitions	107,953	--		
Total revenue, as reported	$1,223,228	$1,068,472	$ 154,756	14%

(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 us.

Total revenues increased $154.8 million to $1.2 billion for the three months ended March 31, 2004 from $1.1 billion for the three months ended March 31, 2003. Same store revenue grew $46.0 million, or 4%, to $1.1 billion for the three months ended March 31, 2004. On a same store basis, new retail units were relatively flat. However, same store new vehicle retail revenues were up 6% reflecting an increase in our average selling price driven by our strong luxury and mid-line import sales mix. Same store used vehicle revenue decreased $7.3 million, or 3%, to $216.4 million as manufacturer incentive programs on new vehicles and a competitive used vehicle market negatively impacted our used retail unit sales volume and sales revenue per used vehicle retailed. Although we have experienced this negative trend in the used vehicle market over the last several quarters, we have slowed the rate of deterioration of our used vehicle sales revenues through managing our used inventory mix in order to carry higher levels of used vehicle inventory at lower price points, thereby reducing competition with our new retail vehicle sales.

Fixed operations revenue increased 5% on a same store basis due to increased warranty work generated by certain manufacturer recalls, an increase in the wholesale of parts to local automotive service and repair businesses and growth in service as a result of our continued focus on "customer pay" business, service adviser training, expansion of our product offerings, implementation of advertising campaigns and growth in our import warranty business.

We achieved 5% same store growth in Platform F&I revenue, as we continue to benefit from increased product offerings, the utilization of menus in the F&I sales process, the maturation of our corporate sponsored programs and the sharing of best practices between our platforms. Also contributing to our same store results of Platform F&I is the improvement of the finance and insurance operations at franchises we acquired in prior years, which generally continue to improve for several years after the acquisition date. Platform F&I excludes revenue resulting from contracts negotiated by our corporate office, which is attributable to retail units sold during prior periods.

We expect total revenue to increase as we continue to acquire dealerships and expand our service capacity in order to meet anticipated future demand, as the relatively high volume of new vehicles sales resulting from the highly "incentivized" new vehicle market will drive service demand.

Gross Profit

(Dollars in thousands, except for per vehicle data)	For the Three Months Ended March 31, 2004	2003	Increase (Decrease)	% Change
New vehicle data:				
Retail gross profit-same store (1)	$ 47,763	$ 46,485	$ 1,278	3%
Retail gross profit-acquisitions	5,319	--		
Total new retail gross profit	53,082	46,485	6,597	14%
Fleet gross profit-same store (1)	374	352	22	6%
Fleet gross profit-acquisitions	--	--		
Total fleet gross profit	374	352	22	6%
New vehicle gross profit, as reported	$ 53,456	$ 46,837	$ 6,619	14%
New retail units-same store (1)	21,796	21,767	29	--
New retail units-actual	23,869	21,767	2,102	10%
Used vehicle data:				
Retail gross profit-same store (1)	$ 26,160	$ 27,292	$ (1,132)	(4%)
Retail gross profit-acquisitions	2,481	--		
Total used retail gross profit	28,641	27,292	1,349	5%
Wholesale gross profit-same store (1)	(442)	286	(728)	(255%)
Wholesale gross profit-acquisitions	(65)	--		
Total wholesale gross profit	(507)	286	(793)	(277%)
Used vehicle gross profit, as reported	$ 28,134	$ 27,578	$ 556	2%
Used retail units-same store (1)	14,540	14,750	(210)	(1%)
Used retail units-actual	15,782	14,750	1,032	7%
Parts, service and collision repair:				
Gross profit-same store (1)	$ 69,482	$ 67,155	$ 2,327	3%
Gross profit-acquisitions	6,775	--		
Parts, service and collision repair gross profit, as reported	$ 76,257	$ 67,155	$ 9,102	14%
Finance and insurance, net:				
Platform gross profit-same store (1)	$ 30,198	$ 28,830	$ 1,368	5%
Platform gross profit-acquisitions	2,157	--		
Platform finance and insurance, net (2)	32,355	28,830	3,525	12%
Gross profit-corporate	839	--		
Finance and insurance gross profit, as reported	$ 33,194	$ 28,830	$ 4,364	15%
Platform gross profit PVR-same store (1)	$ 831	$ 789	$ 42	5%
Platform gross profit PVR-actual (2)	$ 816	$ 789	$ 27	3%
Gross profit PVR-actual	$ 837	$ 789	$ 48	6%
Total gross profit:				
Gross profit-same store (1)	$ 173,535	$ 170,400	$ 3,135	2%
Gross profit-acquisitions	16,667	--		
Gross profit-corporate	839	--		
Total gross profit, as reported	$ 191,041	$ 170,400	$ 20,641	12%

(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 we owned the dealership.

(2) Refer to "Reconciliation of Non-GAAP Financial Information" for further discussion regarding platform finance and insurance gross profit PVR.

Gross profit increased $20.6 million, or 12%, to $191.0 million for the three months ended March 31, 2004 from $170.4 million for the three months ended March 31, 2003. Same store gross profit increased $3.1 million, or 2%, to $173.5 million for the three months ended March 31, 2004. Same store gross profit on new retail vehicle sales increased 3% for the three months ended March 31, 2004. The improvement in gross profit on new retail vehicle sales was primarily due to a shift in our sales mix toward luxury vehicles. Same store gross profit on used vehicle retail sales decreased $1.1 million, or 4%, to $26.2 million for the three months ended March 31, 2004, as a highly competitive used vehicle market and manufacturer incentives on new vehicles continued to negatively impact used vehicle unit sales volumes and gross profit per used vehicle retailed. Same store fixed operations increased $2.3 million, or 3%, to $69.5 million for the three months ended March 31, 2004, resulting primarily from increased warranty work generated by manufacturer recalls and an increase in the wholesale of manufacturer parts to local automotive service and repair businesses.

Selling, General and Administrative Expenses-

Selling, general and administrative expenses increased $16.6 million to $153.6 million for the three months ended March 31, 2004, from $137.0 million for the three months ended March 31, 2003. Selling, general and administrative expenses as a percentage of gross profit for the three months ended March 31, 2004 remained constant at 80.4% compared to the three months ended March 31, 2003. Our continued focus on cost reduction enabled us to maintain this expense ratio, even though selling, general and administrative expenses for the three months ended March 31, 2004 included $1.2 million of expenses arising from management changes made in 2003. Advertising expense as a percentage of gross profit increased to 6.7% for the three months ended March 31, 2004, as compared to 6.2% for the three months ended March 31, 2003. The increase in selling, general and administrative expenses are partially attributable additional rent expense resulting from sale/leaseback transactions completed during 2003.

We expect selling, general and administrative expenses in the aggregate and as a percentage of gross profit to increase in the future as we incur additional rent resulting from the anticipated completion of a sales/leaseback transaction with an unaffiliated third party. In connection with this transaction we intend to sell certain land and buildings with a net book value of approximately $100.0 million for a sales price in excess of the book value and enter into long-term operating leases for the related facilities.

Depreciation and Amortization-

Depreciation and amortization expense increased $0.4 million to $5.1 million for the three months ended March 31, 2004, from $4.7 million for the three months ended March 31, 2003. This increase is primarily related to the addition of property, plant and equipment acquired during the nine months ended December 31, 2003 and the three months ended March 31, 2004, off-set by the sale of property, plant and equipment during 2004, in connection with sale/leaseback agreements.

We expect depreciation and amortization expense to decrease in the future as a result of the anticipated completion of the sales/leaseback transaction with an unaffiliated third party, under which we intend to sell certain land and buildings with a net book value of approximately $100.0 million.

Other Income (Expense)-

Floor plan interest expense increased $0.6 million to $5.0 million for the three months ended March 31, 2004, from $4.4 million for the three months ended March 31, 2003. This increase was due to higher average new vehicle inventory levels during 2004 as compared to 2003, resulting primarily from the additional inventory of acquired franchises.

Other interest expense increased $0.3 million to $10.3 million for the three months ended March 31, 2004, from $10.0 million for the three months ended March 31, 2003. The increase was principally attributable to the higher interest rate on our 8% Senior Subordinated Notes due 2014, which were issued in December 2003, as compared to the lower variable rate interest associated with our committed credit facility during the three months ended March 31, 2003. The increase in other interest expense was off-set by interest received from an interest rate swap agreement we entered into in December 2003 in connection with the issuance of our 8% Senior Subordinated Notes due 2014, and the reduction of mortgage indebtedness resulting from our sale/leaseback transactions.

Other income (expense) includes costs that are dependent upon many factors and are difficult to predict; however, we expect future increases or decreases in other income (expense) to result primarily from the increase or decrease in interest rates and average new vehicle inventories, and the use of our committed credit facility to finance future acquisitions. In addition, we expect interest expense associated with outstanding mortgages to decrease as a result of the anticipated sale/leaseback transaction with an unaffiliated third party.

Income Tax Provision-

Income tax expense increased $1.0 million to $6.4 million for the three months ended March 31, 2004, from $5.4 million for the three months ended March 31, 2003, as increases in net income before taxes more than offset the reduction of our effective tax rate. Our effective tax rate for the three months ended March 31, 2004, was 37.5% compared to 39.8% for the three months ended March 31, 2003. As we operate nationally, our effective tax rate is dependent upon our geographic revenue mix. We evaluate our effective tax rate periodically based on our revenue sources. We will continue to evaluate our effective tax rate in the future, and expect that our annual effective tax rate will fluctuate between 37% and 38% for the year ending December 31, 2004.

Discontinued Operations-

As of March 31, 2004, we were actively pursuing the sale of five dealership locations (six franchises) and real estate associated with two former dealership locations. The $0.3 million loss from discontinued operations is primarily attributable to the operating losses of the franchises mentioned above. The loss from discontinued operations for the three months ended March 31, 2003, of $1.1 million included the results of operations of the dealerships mentioned above and five dealership locations (six franchises), ten used-only dealership locations and two ancillary businesses that were closed during 2003 offset by the net gain on the sale of businesses sold during the period.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund working capital needs, finance acquisitions of new dealerships and fund capital expenditures. We believe that our cash and cash equivalents on hand as of March 31, 2004, our funds generated through future operations and the funds available for borrowings under our committed credit facility, Floor Plan Facilities (as defined below), mortgage notes and proceeds from sale/leaseback transactions will be sufficient to fund our debt service and working capital requirements, commitments and contingencies, acquisitions and any seasonal operating requirements for the foreseeable future.

As of March 31, 2004, we had cash and cash equivalents of $46.0 million and working capital of $232.4 million as compared to cash and cash equivalents of $106.7 million and working capital of $259.8 million as of December 31, 2003.

Floor Plan Financing-

We finance substantially our entire 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 provide used vehicle financing up to a fixed percentage of the value of each financed used vehicle. Total availability under our Floor Plan Facilities is $695.0 million, which is distributed among the Ford Motor Credit Company, DaimlerChrysler Financial Services North America, L.L.C and General Motors Acceptance Corporation. In addition, we have total availability of $32.2 million as of March 31, 2004, under ancillary floor plan facilities with Comerica Bank and Navistar Financial for our heavy trucks business within our Atlanta platform. As of March 31, 2004 we had $625.2 million outstanding under all our floor plan financing agreements.

Acquisitions and Acquisition Financing-

During the three months ended March 31, 2004 we acquired two dealerships (three franchises) for approximately $38.1 million, which were funded through the use of our working capital. We plan to utilize either our working capital or our committed credit facility to finance future acquisitions. As of March 31, 2004, we had $250.0 million available under our committed credit facility to finance acquisitions.

Pending Acquisitions and Divestitures-

As of March 31, 2004, we had executed contracts to acquire four dealership locations (four franchises) representing combined annual revenues of approximately $210.0 million for $51.2 million. During April 2004, we acquired three of these franchises, which are located in Southern California for approximately $33.2 million through the use of our working capital.

As of March 31, 2004, we were actively pursuing the divestiture of five dealership locations (six franchises) and real estate associated with two former dealership locations.

Sales/Leaseback Transactions

We have entered into an agreement with an unaffiliated third party in connection with future sale/leaseback transactions, under which we intend to sell certain land and buildings with a net book value of approximately $100.0 million to the third party for a sales price in excess of book value and enter into long-term operating leases for the related facilities. We have not yet finalized the specific properties to be sold or the final sales price. At such a time that the specific properties and sales price has been agreed upon, we will classify the related real estate as Assets Held for Sale and the related mortgages as Liabilities associated with Assets Held for Sale. Upon completion of this transaction, we intend to use approximately $65.0 million of the proceeds from these transactions to repay the related mortgage indebtedness.

Debt Covenants-

We are subject to certain financial covenants in connection with our debt and lease agreements, including the financial covenants described below. Our Committed Credit Facility includes certain financial ratios with the following requirements: (i) a current ratio of at least 1.2 to 1, of which our ratio was approximately 1.3 to 1 as of March 31, 2004; (ii) a fixed charge coverage ratio of at least 1.2 to 1, of which our ratio was approximately 1.4 to 1 as of March 31, 2004 and (iii) a leverage ratio of not more than 4.4 to 1, of which our ratio was approximately 0.8 to 1 as of March 31, 2004. A breach of these covenants could cause an acceleration of repayment and termination of the facility by the Lenders. Certain of our lease agreements include financial ratios with the following requirements: (i) a liquidity ratio of at least 1.2 to 1, of which our ratio was approximately 1.3 to 1 as of March 31, 2004 and (ii) an EBITDA based coverage ratio of at least 1.5 to 1, of which our ratio was approximately 2.5 to 1 as of March 31, 2004. A breach of these covenants would give rise to certain lessor remedies under our various lease agreements, the most severe of which include the following: (a) termination of the applicable lease, (b) termination of certain of the tenant's lease rights, such as renewal rights and rights of first offer or negotiation relating to the purchase of the premises, and/or (c) a liquidated damages claim equal to the extent to which the accelerated rents under the applicable lease for the remainder of the lease term exceed the fair market rent over the same periods. As of March 31, 2004, we were in compliance with all our debt and lease agreement covenants.

Cash Flows for the Three Months Ended March 31, 2004 Compared to the Three Months Ended March 31, 2003

Operating Activities-

Net cash used in operating activities totaled $8.9 million for the three months ended March 31, 2004 and net cash provided by operating activities totaled $28.6 million for the three months ended March 31, 2003. Cash flow from operating activities include net income adjusted for non-cash items and changes in working capital, including changes in floor plan notes payable related to vehicle inventory.

The increase in cash used in operating activities during the three months ended March 31, 2004, was primarily due to differences in the timing of inventory purchases and obtaining the related floor plan financing. These timing differences resulted in net cash outflow of $29.2 million.

Investing Activities-

Net cash used in investing activities totaled $48.8 million and $14.8 million for the three months ended March 31, 2004 and 2003, respectively. Cash used in investing activities relate primarily to capital expenditures and acquisitions.

Capital expenditures totaled $12.3 million and $14.4 million for the three months ended March 31, 2004 and 2003, respectively. Capital expenditures are related to required improvements of our existing dealerships, upgrades of existing facilities and construction of new facilities. Future capital expenditures will be primarily related to operational improvements to maintain our current operations or to provide us with acceptable rates of return on investments and manufacturer-required spending to upgrade existing dealership facilities. We expect that capital expenditures will total between $50.0 million and $60.0 million during 2004.

Cash used to acquire dealerships totaled $38.1 million for the three months ended March 31, 2004, compared to $0.3 million for the three months ended March 31, 2003. During the three months ended March 31, 2004, we funded the acquisition of three dealership locations (three franchises) through the use of our working capital.

Financing Activities-

Cash used in financing activities totaled $3.0 million and $1.6 million for the three months ended March 31, 2004 and 2003, respectively, which consisted primarily of proceeds from borrowings and repayments under our Committed Credit Facility and mortgages, proceeds from sale/leaseback activity and, during the first quarter of 2003, purchases of treasury stock and distributions to our former members.

During the three months ended March 31, 2004 and 2003 our borrowings of $2.8 million and $21.0 million, respectively, and repayments of debt of $10.3 million and $13.2 million, respectively, related primarily to mortgages associated with our land and buildings.

During the 2004 period, we received $4.4 million of advances from lessors in connection with future sale/leaseback transactions. These sale/leaseback transactions related primarily to facility construction and improvement projects at two of our dealership locations.

During the 2003 period, we paid $3.2 million to repurchase shares of our common stock. We have no immediate plans to repurchase additional shares of our common stock.

We distributed $3.0 million to our former members (current shareholders) during the 2003 period to cover their income tax liabilities. This distribution represented our final limited liability company distribution to our former members.

Off Balance Sheet Transactions

We had no off balance sheet transactions during the periods presented other than those disclosed in Note 12 of our interim consolidated financial statements.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual amounts could differ from those estimates. On an ongoing basis, management evaluates its estimates and assumptions and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary. We have disclosed all significant accounting policies in note 2 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003. We have identified the following policies, which were discussed with the Audit Committee of our Board of Directors, as critical to understanding our results of operations.

Inventories-

Our inventories are stated at the lower of cost or market. We use the specific identification method to value our vehicle inventories and the "first-in, first-out" method ("FIFO") to account for our parts inventories. We maintain a reserve for specific inventory units that have a cost basis in excess of fair value. These reserves were $4.7 million and $4.6 million as of March 31, 2004 and December 31, 2003, respectively. In assessing lower of cost or market for new vehicles, we primarily consider the aging of vehicles along with the timing of annual and model changeovers. The assessment of lower of cost or market for used vehicles considers recent data and trends such as loss history, current aging of the inventory and current market conditions.

Notes Receivable-Finance Contracts-

As of March 31, 2004 and December 31, 2003, we had outstanding notes receivable from finance contracts of $33.2 million and $33.1 million, respectively (net of an allowance for credit losses of $5.7 million and $4.7 million, respectively). These notes have initial terms ranging from 12 to 60 months, and are collateralized by the related vehicles. The assessment of our allowance for credit losses considers historical loss ratios and the performance of the current portfolio with respect to past due accounts. We continually analyze our current portfolio against our historical performance. In addition, we consider the value of the underlying collateral in our assessment of the reserve.

Chargeback Reserve-

We receive commissions from the sale of various insurance and vehicle service contracts to customers and through the arrangement of vehicle financing for customers. We may be charged back ("chargeback") for such commissions in the event of early termination of the contracts by customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established at that time. The reserve considers our historical chargeback experience, including timing, as well as national industry trends. This data is evaluated on a product-by-product basis. These reserves totaled $11.6 million and $11.8 million as of March 31, 2004 and December 31, 2003, respectively.

Goodwill and Other Intangible Assets-

Our intangible assets relate primarily to goodwill and manufacturer franchise rights associated with acquisitions of dealerships, which we account for under the purchase method of accounting as required by SFAS No. 141, "Business Combinations." In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," we do not amortize goodwill and other intangible assets, which are deemed to have indefinite lives, but test these assets for impairment at least annually, or more frequently if any event occurs or circumstances change that indicate possible impairment. We have determined that manufacturer franchise rights have an indefinite life as there are no legal, contractual, economic or other factors that limit their useful lives and they are expected to generate cash flows indefinitely due to the historically long lives of the manufacturers' brand names. Goodwill and franchise rights are allocated to each reporting unit at the platform and franchise level, respectively. The fair market value of our manufacturer franchise rights is determined at the acquisition date through discounting the projected cash flows attributable to each manufacturer franchise right. Goodwill represents the excess cost of the businesses acquired over the fair market value of the identifiable net assets.

Upon adoption of SFAS No. 142 on January 1, 2002, we determined that each of our platforms qualified as a reporting unit as we operated in one segment, and our platforms are one level below our corporate level, discrete financial information existed for each platform and the management of each platform directly reviewed the platform's performance. We are continuously adapting our operating structure and searching for ways to standardize policies, share best practices and centralize administrative functions. In the future, if we determine that our platforms no longer meet the requirements of a reporting unit, we will reevaluate the reporting units with respect to the changes in our reporting structure.

We review platform goodwill and manufacturer franchise rights for impairment during the fourth quarter of each year. The first step of the impairment test identifies potential impairments by comparing the estimated fair value of each reporting unit with its corresponding net book value, including goodwill. If the net book value of a reporting unit exceeds its fair value, the second step of the impairment test determines the potential impairment loss by comparing the estimated fair value of goodwill with its carrying amount. If the estimated fair value of goodwill is less than the carrying amount, the carrying value of goodwill is adjusted to reflect its estimated fair value.

All other intangible assets are deemed to have definite lives and are amortized on a straight-line basis over the life of the asset ranging from 3-15 years and are tested for impairment when circumstances indicate that the carrying value of the asset might be impaired.

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

Platform Finance and Insurance Gross Profit PVR-

We evaluate our finance and insurance gross profit performance on a PVR basis by dividing our total finance and insurance gross profit by the number of retail vehicles sold. During 2003, our corporate office renegotiated a contract with one of our third party finance and insurance product providers, which resulted in the recognition of revenue during the three months ended March 31, 2004 that was attributable to retail vehicles sold during prior periods. We believe that platform finance and insurance, which excludes the additional revenue derived from this contract, provides a more accurate measure of our finance and insurance operating performance. The following table reconciles finance and insurance gross profit to platform finance and insurance gross profit, and provides the necessary components to calculate platform finance and insurance gross profit PVR (in thousands, except for unit and per vehicle data):

	For the Three Months Ended March 31, 2004
Finance and insurance gross profit, net (as reported)	$ 33,194
Less: Corporate finance and insurance gross profit	(839)
Platform finance and insurance gross profit	$ 32,355
Platform finance and insurance gross profit PVR	$ 816
Retail units sold:	
New retail units	23,869
Used retail units	15,782
Total	39,651

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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 $287.7 million of variable rate long-term debt (including the current portion) outstanding at March 31, 2004, a 1% change in interest rates would result in a change of approximately $2.9 million to our annual other interest expense. Based on floor plan amounts outstanding at March 31, 2004, a 1% change in the interest rates would result in a $6.3 million change to annual floor plan interest expense.

We receive interest credit assistance from certain automobile manufacturers, which is accounted for as a reduction in the cost of inventory on our consolidated balance sheet and recognized as a reduction to cost of sales upon the sale of the related inventory. For the three months ended March 31, 2004, we recognized $5.8 million as a reduction to cost of sales associated with interest credit assistance. Although we can provide no assurance as to the amount of future interest credit assistance, it is our expectation, based on historical data, that an increase in prevailing interest rates would result in increased interest credit assistance from certain automobile manufacturers.

Interest Rate Hedges

We use interest rate swaps to manage our capital structure. In December 2003, we entered into two forward interest rate swaps with a combined notional principal amount of $200.0 million, which will provide a hedge against changes in the interest rates of our variable rate floor plan notes payable for a period of eight years beginning in March 2006. The swap agreements were designated and qualify as interest rate hedges of future changes in interest rates of our variable rate floor plan indebtedness and we expect that these hedges will contain minor ineffectiveness once they become effective in March 2006. As of March 31, 2004, the swaps had a fair value of $6.8 million, which was included in other liabilities and accumulated other comprehensive loss on the accompanying Consolidated Balance Sheets.

During December 2003, we entered into an interest rate swap agreement with a notional principal amount of $200.0 million as a hedge against changes in the fair value of our 8% Senior Subordinated Notes due 2014. Under the terms of swap agreement, we are required to make variable rate payments based on six-month LIBOR and receive a fixed rate of 8.0%. This swap agreement was designated and qualifies as a fair value hedge of our fixed rate senior subordinated debt and does not contain any ineffectiveness. As of March 31, 2004, the swap agreement had a fair value of $3.9 million, which was included in other assets and accumulated other comprehensive loss on the accompanying Consolidated Balance Sheets.

Item 4. Controls and Procedures

Based on their evaluation as of a date within 45 days of the filing date of this Quarterly Report on Form 10-Q, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the Exchange Act) are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation and up to the filing date of this Quarterly Report on Form 10-Q. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Forward-Looking Statements

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, and
- 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. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

3.1	Amended and Restated By-Laws of Asbury Automotive Group, Inc. dated April 13, 2004
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 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 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b. Reports on Form 8-K

Report filed January 20, 2004, under Item 5, relating to the issuance of a press release announcing that the Board of Directors elected Michael J. Durham as Non-Executive Chairman and Thomas R. Gibson as Chairman Emeritus.

Report filed February 11, 2004, under Item 5, relating to the issuance of a press release announcing that it has changed the release date of its financial results for the fourth quarter and year ended December 31, 2003.

Report furnished February 25, 2004, under Item 12, relating to the issuance of a press release announcing the Company's earnings for the fourth quarter and year ended December 31, 2003.

Report filed February 25, 2004, under Item 5, relating to the issuance of a press release announcing the Company's acquisition of Mercedes-Benz of Sacramento, California.

Report filed April 13, 2004, under Item 5, relating to the issuance of a press release announcing the Company's financial results for the quarter ended March 31, 2004.

Report filed May 3, 2004, under Item 5, relating to the completion of an investigation into the facts and circumstances surrounding the Company's sub-lease of its new headquarters in New York.

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 10, 2004 By: /s/ KENNETH B. GILMAN

Name: Kenneth B. Gilman
Title: Chief Executive Officer and President

Date: May 10, 2004 By: /s/ J. GORDON SMITH

Name: J. Gordon Smith
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

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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, 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-15(e) and 15d-15(e)) 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 annual report is being prepared;

   (b) 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

   (c) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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/ KENNETH B. GILMAN
- --
Kenneth B. Gilman
Chief Executive Officer
May 10, 2004

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, J. Gordon Smith, 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-15(e) and 15d-15(e)) 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 annual report is being prepared;

   (b) 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

   (c) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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/ J. GORDON SMITH
- --
J. Gordon Smith
Chief Financial Officer
May 10, 2004

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 three months ending March 31, 2004 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 10, 2004

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 three months ending March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Gordon Smith, 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/ J. Gordon Smith
- --
J. Gordon Smith
Chief Financial Officer
May 10, 2004

AMENDED AND RESTATED
BY-LAWS OF
ASBURY AUTOMOTIVE GROUP, INC.

Incorporated Under The Laws
of the State of Delaware

April 13, 2004

BY-LAWS

BY-LAWS

of

ASBURY AUTOMOTIVE GROUP, INC.

ARTICLE I

Offices

SECTION 1.01. Delaware Office. The principal office of Asbury Automotive Group, Inc. (the Corporation) in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the resident agent in charge thereof shall be The Corporation Trust Company.

SECTION 1.02. Other Offices. The Corporation may have offices at such other place or places as from time to time the board of directors of the Corporation (the "Board of Directors", and each member thereof, a "Director") may determine or the business of the Corporation may require.

SECTION 1.03. Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

Meetings of Stockholders

SECTION 2.01. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on such date and at such time as may be fixed by resolution of the Board of Directors.

SECTION 2.02. Special Meeting. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the common stock, par value $0.01 per share, of the Corporation (the "Common Stock") as to dividends or upon liquidation, dissolution or winding up, special meetings of stockholders of the Corporation for any purpose or purposes may be called only by (a) the Board of Directors pursuant to a resolution stating the purpose or purposes thereof approved by a majority of the total number of Directors which the Corporation would have if there were no vacancies or unfilled newly-created directorships (the "Whole Board"), or (b) by the Chairman of the Board of Directors (the "Chairman of the Board"), either upon his own initiative or the written request of the holders of at least 50% of the voting power of all Voting Stock then outstanding. No business other than that stated in the notice shall be transacted at any special meeting.

SECTION 2.03. Place of Meeting. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place, if any, of meeting for any annual meeting or for any special meeting of the stockholders. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.04. Notice of Meeting. Notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than 10 calendar days nor more than 60 calendar days before the date of the meeting, either personally, by mail or by other lawful means, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such person's address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Meetings may be held without notice if all stockholders entitled to notice are present (except when stockholders entitled to notice attend the meeting for the express purpose of objecting, at the beginning of the meeting, because the meeting is not lawfully called or convened), or if notice is waived by those not present in accordance with Section 6.04. Any previously scheduled meeting of the stockholders may be postponed, and any special meeting of the stockholders may be canceled, by resolution of the Board of Directors, upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.05. Quorum and Adjournment; Voting. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), the holders of a majority of the voting power of all outstanding shares of the Corporation entitled to vote generally in the election of Directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairman of the meeting may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.06. Proxies. At all meetings of stockholders, a stockholder may vote by proxy in accordance with the General Corporation Law of the State of Delaware (the "DGCL") or by such person's duly authorized attorney in fact.

SECTION 2.07. Notice of Stockholder Business and Nominations. (a) Annual Meetings of Stockholders. (i) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of meeting pursuant to Section 2.04, (B) by or at the direction of the Chairman of the Board or (C) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.07, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the ninetieth calendar day nor earlier than the close of business on the one hundred twentieth calendar day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty calendar days before or more than sixty calendar days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth calendar day prior to such annual meeting and not later than the close of business on the later of the ninetieth calendar day prior to such annual meeting or the tenth calendar day following the calendar day on which public announcement of the date of such meeting is first made by the Corporation. For purposes of determining whether a stockholder's notice shall have been delivered in a timely manner for the annual meeting of stockholders in 2002, the first anniversary of the previous year's meeting shall be deemed to be June 1, 2002. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (4) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 2.07 to the contrary, in the event that the number of Directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for Director or specifying the size of the increased Board of Directors at least one hundred calendar days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth calendar day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting under Section 2.04. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Chairman of the Board or (iii) provided that the Board of Directors has determined that Directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more Directors to the Board of Directors, any stockholder entitled to vote in such election of Directors may nominate pursuant to clause (iii) of the immediately preceding sentence of this Section 2.07(b) a person or persons (as the case may be), for election to such position (s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(ii) of this Section 2.07 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth calendar day prior to such special meeting and not later than the close of business on the later of the ninetieth calendar day prior to such special meeting or the tenth calendar day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General. (i) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.07 shall be eligible to serve as Directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.07 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(ii)(C)(4) of this Section 2.07) and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.07, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(ii) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 2.07, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.07. Nothing in this Section 2.07 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of preferred stock of the Corporation ("Preferred Stock") to elect Directors under an applicable Preferred Stock Designation (as defined in the Certificate of Incorporation).

SECTION 2.08. Procedure for Election of Directors; Required Vote. Election of Directors at all meetings of the stockholders at which Directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect Directors under an applicable Preferred Stock Designation, a plurality of the votes cast thereat shall elect Directors. Except as otherwise provided by law, the Certificate of Incorporation, a Preferred Stock Designation, applicable stock exchange rules or other rules and regulations applicable to the Corporation or these By-Laws, in all matters other than the election of Directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.09. Inspectors of Elections; Opening and Closing the Polls. (a) The Board of Directors by resolution shall appoint, or shall authorize an officer of the Corporation to appoint, one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspector(s) to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging such person's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such person's ability. The inspectors shall have the duties prescribed by law.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding officer, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding officer should so determine, such person shall so declare to the meeting that any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

Board of Directors

SECTION 3.01. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

SECTION 3.02. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law in conjunction with the annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.03. Special Meetings. Special meetings of the Board of Directors shall be called it the request of the Chairman of the Board, the President and Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.04. Notice. Notice of any special meeting of Directors shall be given to each Director at such person's business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram or facsimile transmission, orally by telephone or any other lawful means. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mail so addressed, with postage thereon prepaid, at least 5 calendar days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 12 hours before such meeting. If by telephone, by hand delivery or by other lawful means, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.01. A meeting may be held at any time without notice if all the Directors are present (except when Directors attend for the express purpose of objecting, at the beginning of the meeting, because it is not lawfully called or conveyed) or if those not present waive notice of the meeting either before or after such meeting.

SECTION 3.05. Action By Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in accordance with applicable law.

SECTION 3.06. Conference Telephone Meetings. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.07. Quorum. Subject to Article VI of the Certificate of Incorporation, a whole number of Directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 3.08. Committees of the Board of Directors. (a) The Board of Directors may from time to time designate committees, which shall consist of one or more Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may, to the extent permitted by law, exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(b) A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.04. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not Directors; provided, however, that no such committee shall have or may exercise any authority of the Board of Directors.

SECTION 3.09. Records. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board of Directors and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

SECTION 3.10. Chairman of the Board. A Chairman of the Board shall be chosen from among the Directors. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall have such other powers and duties as may from time to time be conferred by the Board of Directors. The Board of Directors also may elect a Vice-Chairman to act in the place of the Chairman of the Board upon his or her absence or inability to act.

ARTICLE IV

Officers

SECTION 4.01. Elected Officers. The elected officers of the Corporation shall be a President and Chief Executive Officer, a Secretary, a Treasurer, and such other officers (including, without limitation, Senior Vice Presidents and Executive Vice Presidents and Vice Presidents) as the Board of Directors from time to time may deem proper. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect, or the Chairman of the Board or President and Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Controllers, Assistant Secretaries and Assistant Treasurers), as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board of Directors or such committee or by the Chairman of the Board or President and Chief Executive Officer, as the case may be.

SECTION 4.02. Election and Term of Office. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held in conjunction with the annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until such person's successor shall have been duly elected and shall have qualified or until such person's death or until he shall resign or be removed pursuant to Section 4.08.

SECTION 4.03. President; Chief Executive Officer. The President shall be the Chief Executive Officer of the Corporation, shall act in a general executive capacity and shall be responsible for the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President and Chief Executive Officer, if he or she is also a Director, shall, in the absence of or because of the inability to act of the Chairman or Vice Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors.

SECTION 4.04. Vice Presidents. Each Senior Vice President and Executive Vice President and any Vice President shall have such powers and shall perform such duties as shall be assigned to such person by the Board of Directors or by the President and Chief Executive Officer.

SECTION 4.05. (a) Treasurer. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board of Directors, or in such banks as may be designated as depositories in the manner provided by resolution of the Board of Directors. The Treasurer shall have such further powers and duties and shall be subject to such directions as may be granted or imposed from time to time by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Treasurers who shall have such of the authority and perform such of the duties of the Treasurer as may be assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. During the Treasurer's absence or inability, the Treasurer's authority and duties shall be possessed by such Assistant Treasurer' s) as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.06. Secretary. (a) The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders; shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law; shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal and shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Secretaries who shall have such of the authority and perform such of the duties of the Secretary as may be provided in these By-Laws or assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive

Officer. During the Secretary's absence or inability, the Secretary's authority and duties shall be possessed by such Assistant Secretary or Assistant Secretaries as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.07. Removal. Any officer or agent of the Corporation may be removed by the affirmative vote of a majority of the Board of Directors whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer or agent appointed by the Chairman of the Board or the President and Chief Executive Officer may be removed by him or her whenever, in such person's judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of such person's successor, such person's death, such person's resignation or such person's removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee benefit plan.

SECTION 4.08. Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors. Any vacancy in an office appointed by the Chairman of the Board or the President and Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the President and Chief Executive Officer.

ARTICLE V

Stock Certificates and Transfers

SECTION 5.01. Stock Certificates and Transfers. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by such person's attorney, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe or as may otherwise be permitted by applicable law, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. Notwithstanding the foregoing provisions regarding share certificates, the Corporation may provide that, subject to the rights of stockholders under applicable law, some or all of any or all classes or series of the Corporation's common or any preferred shares may be uncertificated shares.

SECTION 5.02. Lost, Stolen or Destroyed Certificates. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond or indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or such person's discretion require.

ARTICLE VI

Miscellaneous Provisions

SECTION 6.01. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

SECTION 6.02. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.03. Seal. The corporate seal shall have inscribed thereon the words "Corporate Seal," the year of incorporation and the word "Delaware."

SECTION 6.04. Waiver of Notice. Whenever any notice is required to be given to any stockholder or Director under the provisions of the DGCL or these By-Laws, a waiver thereof given in accordance with applicable law shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.05. Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 6.06. Resignations. Any Director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VII

Contracts, Proxies, Etc.

SECTION 7.01. Contracts. Except as otherwise required by law, the Certificate of Incorporation, a Preferred Stock Designation, or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed or for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President of the Corporation may delegate contractual powers to others under such person's jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.02. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holders of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other entity, or to consent in accordance with applicable law, in the name of the Corporation as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such proxies, consents or other instruments as such person may deem necessary or proper in the premises.

ARTICLE VIII

Amendments

SECTION 8.01. Amendments. The By-Laws may be altered or repealed and new By-Laws may be adopted (a) at any annual or special meeting of stockholders by the affirmative vote of the holders of a majority of the voting power of the Voting Stock then outstanding, voting as a single class, provided, however, that any proposed alteration or repeal of, or the adoption of any By-Law inconsistent with, Section 2.02, Section 2.07 or this Section 8.01, by the stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class, and provided, further, however, that, in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new By-Law or By-Laws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board.