AUTONATION, INC.
Form 424B2
April 01, 2010
Table of Contents

Filed Pursuant to Rule 424(b)(2)

Registration No. 333-157354 and

333-157354-01 through -458

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
6.750% Senior Notes due 2018	$ 400,000,000	98.488%	$393,952,000	$28,088.78
Guarantees of 6.750% Senior Notes due 2018(2)				

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.
(2) Pursuant to Rule 457(n), no separate registration fee is payable in respect of the registration of the guarantees.

Table of Contents

PROSPECTUS SUPPLEMENT

(To prospectus dated February 23, 2010)

$400,000,000

AutoNation, Inc.

6.750% Senior Notes due 2018

We are offering $400.0 million aggregate principal amount of 6.750% Senior Notes due 2018 (the notes). Interest on the notes will be payable on April 15 and October 15 of each year, beginning on October 15, 2010. The notes will mature on April 15, 2018. We may redeem some or all of the notes at any time prior to their maturity at the applicable redemption price described in this prospectus supplement, plus accrued and unpaid interest to, but not including, the date of redemption. We may also redeem up to 35% of the notes prior to April 15, 2013 with the net cash proceeds we receive from certain public equity offerings. If a change of control, as described in this prospectus supplement under the heading Description of the Notes Repurchase Upon Change of Control Repurchase Event occurs, we will be required to offer to purchase the notes from the holders under certain circumstances.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other existing and future senior indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The notes will be effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The notes will be guaranteed on a senior unsecured basis by substantially all of our subsidiaries. The notes will be issued only in registered form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

Investing in the notes involves risks that are described under Risk Factors beginning on page S-9 of this prospectus supplement.

	Per note	Total
Public offering price (1)	98.488%	$ 393,952,000
Underwriting discount	1.750%	$ 7,000,000
Proceeds, before expenses, to us (1)	96.738%	$ 386,952,000

(1) Plus accrued interest from April 14, 2010, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about April 14, 2010.

Joint Book-Running Managers

BofA Merrill Lynch J.P. Morgan Wells Fargo Securities

Co-Lead Managers

Comerica Securities SunTrust Robinson Humphrey

Co-Managers

Fifth Third Securities, Inc. Mitsubishi UFJ Securities

Mizuho Securities USA Inc. Santander

The date of this prospectus supplement is March 31, 2010

Table of Contents

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any time subsequent to the date of such information.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical fact, included or incorporated by reference herein regarding our strategy, future operations, financial position, estimated financial results, planned transactions, projected costs, prospects, goals and objectives are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as anticipate, believe, estimate, expect, intend, may, plan, seek, project, will, would, and similar expressions or expressions of the negative of these terms. Such sta only predictions and, accordingly, are subject to substantial risks, uncertainties and assumptions.

We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. Although we believe that the expectations, plans, intentions, and projections reflected in our forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The risks, uncertainties, and other factors that our stockholders and prospective investors should consider include, but are not limited to, the following:

The automotive retailing industry is sensitive to changing economic conditions and various other factors. Our business and results of operations are substantially dependent on new vehicle sales levels in the United States and in our particular geographic markets and the level of gross profit margins that we can achieve on our sales of new vehicles, all of which are very difficult to predict.

Our results of operations and financial condition have been and could continue to be adversely affected by the unfavorable economic conditions in the United States.

Our revolving credit facility, term loan facility, mortgage facility, and the indenture relating to our outstanding senior unsecured notes contain certain financial ratios and other restrictions on our ability to conduct our business.

We are dependent upon the success and continued financial viability of the vehicle manufacturers and distributors with which we hold franchises.

Our substantial indebtedness could adversely affect our financial condition and operations and prevent us from fulfilling our debt service obligations.

Goodwill and other intangible assets comprise a significant portion of our total assets. We must test our intangible assets for impairment at least annually, which may result in a material, non-cash write-down of goodwill or franchise rights and could have a material adverse impact on our results of operations and stockholders equity.

Our new vehicle sales are impacted by the consumer incentive and marketing programs of vehicle manufacturers.

Natural disasters and adverse weather events can disrupt our business.

We are subject to restrictions imposed by and significant influence from vehicle manufacturers that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional stores.

Table of Contents

- We are subject to numerous legal and administrative proceedings, which, if the outcomes are adverse to us, could materially adversely affect our business, results of operations, financial condition, cash flows, and prospects.

- Our operations are subject to extensive governmental laws and regulations. If we are found to be in violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer.

- We are subject to interest rate risk in connection with our floorplan payable, revolving credit facility, term loan facility, and floating rate senior unsecured notes that could have a material adverse effect on our profitability.

- Our largest stockholder, as a result of its voting ownership, may have the ability to exert substantial influence over actions to be taken or approved by our stockholders.

- We may be unable to complete the tender offers and consent solicitations for our Old Notes (as defined below) or the contemplated amendment of our existing credit agreement described in this prospectus supplement.

Please refer to our most recent Annual Report on Form 10-K and to our subsequent filings with the Securities and Exchange Commission (the SEC) for additional discussion of the foregoing risks. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes. The second part is the accompanying prospectus dated February 23, 2010, which is part of our Registration Statement on Form S-3 (Registration No. 333-157354), which gives more general information, some of which may not apply to this offering.

This prospectus supplement and the information incorporated by reference in this prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the information in the accompanying prospectus.

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Where You Can Find Additional Information in the accompanying prospectus.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the underwriters or any of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See Underwriting.

For convenience, the terms AutoNation, the Company, we, us, and our are used in this prospectus to refer to AutoNation, Inc. and its subsidiaries, unless otherwise indicated or the context otherwise requires. Our dealership operations are conducted by our subsidiaries.

Table of Contents

NON-GAAP FINANCIAL MEASURES

We have included financial measures of adjusted EBITDA in this prospectus supplement, which is a non-GAAP financial measure as defined under the rules of the SEC. Adjusted EBITDA represents net income before interest expense, income tax expense, depreciation and amortization expense, loss from discontinued operations (net of income taxes), goodwill and franchise rights impairments, gain on senior note repurchases and certain other items. Adjusted EBITDA is not required by, or presented in accordance with, generally accepted accounting principles in the United States, or GAAP. Adjusted EBITDA is a performance measure that is used by our management, and we believe is commonly reported and widely used by investors and other interested parties, to evaluate a company s operating performance on a consistent basis after removing the impact of capital structure, asset base, items beyond the control of management (such as income taxes) and certain other items.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect, among other things:
  - our cash expenditures or future requirements for capital expenditures or contractual commitments;
  - changes in, or cash requirements for, our working capital needs;
  - the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and
  - any cash income taxes that we may be required to pay;
- Assets are depreciated or amortized over estimated useful lives and often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Adjusted EBITDA does not adjust for all non-cash income or expense items that are reflected in our statements of cash flows.

Because of these limitations, adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the operation and growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using adjusted EBITDA as a supplement.

In evaluating adjusted EBITDA, you should be aware that in the future we may incur expenses similar to those for which adjustments are made in calculating adjusted EBITDA. Our presentation of adjusted EBITDA should not be construed as a basis to infer that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from certain matters we consider to be indicative of our ability to service our debt over the period such debt is expected to remain outstanding.

The non-GAAP measure of adjusted EBITDA used in this prospectus supplement may be different from similar measures used by other companies, limiting their usefulness as comparable measures. This non-GAAP financial measure should not be considered as an alternative to net income, as an indicator of operating performance or liquidity.

See footnote (3) to the summary consolidated financial information under Prospectus Supplement Summary Summary Consolidated Financial Information for a description of the calculation of adjusted EBITDA and an unaudited reconciliation of adjusted EBITDA to net income.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about us and this offering. It does not contain all of the information that may be important to you in deciding whether to purchase the notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the SEC that are incorporated by reference herein.

Our Company

AutoNation, Inc., through its subsidiaries, is the largest automotive retailer in the United States. As of December 31, 2009, we owned and operated 246 new vehicle franchises from 203 stores located in major metropolitan markets, predominantly in the Sunbelt region of the United States. Our stores, which we believe are some of the most recognizable and well-known in our key markets, sell 33 different brands of new vehicles. The core brands of vehicles that we sell, representing approximately 96% of the new vehicles that we sold in 2009, are manufactured by Toyota, Ford, Honda, Nissan, General Motors, Mercedes, BMW, and Chrysler.

We offer a diversified range of automotive products and services, including new vehicles, used vehicles, parts and automotive services and automotive finance and insurance products. We also arrange financing for vehicle purchases through third-party finance sources. We believe that the significant scale of our operations and the quality of our managerial talent allow us to achieve efficiencies in our key markets by, among other things, leveraging our market brands and advertising, improving asset management, implementing standardized processes and increasing productivity across all of our stores.

We were incorporated in Delaware in 1991. Our principal executive offices are located at 200 SW 1st Ave, Fort Lauderdale, FL 33301, and our telephone number at that address is (954) 769-6000. We maintain a web site at www.autonation.com. Information contained in or accessed through our web site does not constitute a part of this prospectus supplement.

The Transactions

The Tender Offers and Consent Solicitations

On March 31, 2010, we commenced cash tender offers (each an Offer and collectively, the Offers) for any and all of our outstanding (i) Floating Rate Notes due 2013 (the Floating Rate Notes) and (ii) 7% Senior Notes due 2014 (the Fixed Rate Notes and, together with the Floating Rate Notes, the Old Notes). In conjunction with the Offers, we also are soliciting consents to shorten the notice period required to undertake an optional redemption of the notes and to eliminate substantially all of the restrictive covenants and certain events of default contained in the indenture governing the Old Notes.

The total consideration payable in respect of the Floating Rate Notes that are validly tendered, and for which the related consents are delivered prior to the consent deadline, is $1,010.00 per $1,000 principal amount of the Floating Rate Notes, plus accrued but unpaid interest up to but excluding the settlement date. The total consideration payable in respect of the Fixed Rate Notes that are validly tendered, and for which the related consents are delivered prior to the consent deadline, is $1,035.00 per $1,000 principal amount of the Fixed Rate Notes, plus accrued but unpaid interest up to but excluding the settlement date. To be eligible to receive the total consideration for the Floating Rate Notes or the Fixed Rate Notes, as applicable, which includes a consent payment of $30.00 per $1,000 principal amount of Floating Rate Notes or Fixed Rate Notes, as applicable, holders must tender their Old Notes, and deliver the related consents, prior to the consent deadline, which is 5:00 p.m., New York City time, on April 13, 2010, unless extended. The Offers are scheduled to expire at 11:59 p.m., New York City time, on April 27, 2010 (the Expiration Time), unless we choose to extend or earlier terminate

Table of Contents

the Offers. This prospectus supplement is not an offer to purchase the Old Notes and the tender offers and consent solicitations are made only by and pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement dated March 31, 2010, as the same may be amended or supplemented.

The Old Notes are currently redeemable. On April 15, 2010, the Floating Rate Notes will be redeemable at $1,010.00 per $1,000 principal amount of Floating Rate Notes plus accrued and unpaid interest and the Fixed Rate Notes will be redeemable at $1,035.00 per $1,000 principal amount of Fixed Rate Notes plus accrued and unpaid interest. Following the Expiration Time, we may elect to redeem and satisfy and discharge, in accordance with the terms and conditions of the indenture governing the Old Notes, any or all Old Notes not tendered and accepted for purchase pursuant to the Offers. This prospectus supplement does not constitute a notice of redemption of the Old Notes or an obligation to issue a notice of redemption of Old Notes. In the event that we elect to exercise our redemption rights in respect of the Old Notes, the appropriate notice or notices of redemption will be issued at a later date or dates upon the terms and conditions set forth in the indenture governing the Old Notes.

Amendment to Existing Credit Agreement

We are seeking consents from our existing lenders under our existing credit agreement, which we refer to as the existing credit agreement, to (i) extend the maturity date from July 18, 2012 to July 18, 2014 of all or a portion of the term loan facility and all or a portion of the revolving credit facility, (ii) reduce the size of the term loan facility (and make a corresponding prepayment) from $600.0 million to not less than approximately $520.0 million, (iii) reduce the size of the revolving credit facility from $700.0 million to not less than $616.0 million and (iv) amend certain other provisions. We refer to the existing credit agreement, as it may be amended by the contemplated amendments, as the amended credit agreement. Our amended credit agreement will provide for a bifurcation of the current term loan facility into a tranche maturing on July 18, 2012 and a tranche maturing on July 18, 2014 (provided that if all term loan lenders agree to extend the maturity date of their term loans, the term loan facility will not be bifurcated and will consist solely of a tranche maturing on July 18, 2014) and a bifurcation of the current revolving credit facility into a tranche terminating on July 18, 2012 and a tranche terminating on July 18, 2014 (provided that if all revolving lenders agree to extend the maturity date of their revolving loans, the revolving credit facility will not be bifurcated and will consist solely of a tranche maturing on July 18, 2014). We are also seeking consents from our existing lenders under our existing credit agreement to modify the capitalization ratio covenant and change the maximum leverage ratio covenant from 2.75x to 3.25x. We may not be able to amend our existing credit agreement at all or to the full extent described above. This offering is not conditioned on an amendment and extension of the existing credit agreement. If we are unable to amend the existing credit agreement or are only able to amend certain provisions of the existing credit agreement, the descriptions of the various amendments described above may be subject to change.

In this prospectus supplement, the term transactions refers to, collectively, (i) the offering of the notes pursuant to this prospectus supplement, (ii) the Offers and related consent solicitations for each series of Old Notes, including the assumed purchase of all Old Notes pursuant to the Offers for the total consideration offered pursuant thereto and (iii) the amendment of our existing credit agreement described above and the associated paydown of a portion of the term loan facility thereunder.

Table of Contents

Recent Developments

Estimated Financial Results for the Quarter Ending March 31, 2010

On March 31, 2010, the Company issued a press release announcing estimated financial results for the first quarter of 2010. Based on preliminary information, the Company currently expects first quarter 2010 revenue to be approximately $2.8 billion and first quarter 2010 earnings per share from continuing operations to be in the range of $0.29 to $0.32. The Company also expects new vehicle sales to be approximately 45,000 units, or up approximately 18% as compared to the same period in 2009, and used vehicle sales to be approximately 38,000 units, or up approximately 12% as compared to the same period in 2009.

The foregoing estimates are based on preliminary information about the first quarter of 2010. The Company cautions that it has not completed its normal quarter-end closing and review processes for the first quarter of 2010, and that actual results could differ materially from the foregoing estimates.

Table of Contents

The Offering

Issuer	AutoNation, Inc.
Notes Offered	$400.0 million aggregate principal amount of the notes.
Maturity	April 15, 2018.
Interest Rate	The notes will bear interest at 6.750% per annum. Interest on the notes will accrue from April 14, 2010.
Interest Payment Dates	Interest will be payable on the notes on April 15 and October 15 of each year, beginning on October 15, 2010.
Subsidiary Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by substantially all of our domestic subsidiaries as described under Description of the Notes Guarantees.
	The guarantees will rank equal in right of payment to all of the existing and future unsecured senior indebtedness of the guarantors and senior in right of payment to all existing and future subordinated indebtedness of the guarantors. The guarantees will be effectively subordinated in right of payment to all existing and future senior secured debt of the guarantors to the extent of the value of the assets securing such debt.
Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future senior and unsecured indebtedness. The notes will be effectively subordinated in right of payment to any of our existing and future secured indebtedness to the extent of the assets securing such indebtedness and to any future indebtedness of our non-guarantor subsidiaries.
	The assets of any subsidiary that does not guarantee the notes will be subject to the prior claims of all creditors of that subsidiary, including trade creditors. In addition, in the event that our senior secured creditors exercise remedies with respect to the collateral securing such senior secured debt, the proceeds of the liquidation of that collateral will first be applied to repay obligations secured by such liens.
	As of December 31, 2009, after giving pro forma effect to the transactions, we and the guarantors would have had approximately $2.5 billion of total indebtedness (including borrowings under our mortgage facility and floorplan financing arrangements), of which approximately $1.6 billion would have been secured. In addition, also after giving pro forma effect to the transactions we would have had approximately $551.3 million of undrawn capacity under the revolving facility of our existing credit agreement, of which we would have had the ability to borrow $438.2 million due to limitations imposed by a

	leverage ratio test.
Change of Control Repurchase Event	Upon the occurrence of a Change of Control Repurchase Event, as defined under Description of the Notes Repurchase Upon Change

	of Control Repurchase Event in this prospectus supplement, we will be required to make an offer to repurchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but not including, the date of repurchase.
Optional Redemption	We may redeem some or all of the notes at any time or from time to time, as a whole or in part, at our option, at the make-whole redemption price plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the Notes Optional Redemption Optional Make-Whole Redemption. In addition, at any time prior to April 15, 2013, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds from certain public equity offerings at the redemption price described in Description of the Notes Optional Redemption Optional Redemption With Proceeds from Public Equity Offerings, plus accrued and unpaid interest, if any, to the applicable redemption date.
Covenants	We will issue the notes under an indenture with Wells Fargo Bank, N.A., as trustee. The indenture will, among other things, restrict our ability and the ability of certain of our subsidiaries to: create or assume certain liens; engage in sale and leaseback transactions; and consolidate, merge or transfer all or substantially all of our assets. These covenants are subject to important exceptions and qualifications that are described in Description of the Notes Covenants.
Additional Notes	The indenture governing the notes will provide for unlimited issuances of additional notes. See Description of the Notes Additional Issuances.
Book-Entry Form Only	The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and any such interest may not be exchanged for certificated securities.
Use of Proceeds	The net proceeds from the sale of the notes in this offering are estimated to be approximately $386.1 million, after deducting underwriting discounts and our estimated expenses. We intend to use the net proceeds from the sale of the notes to (i) pay the consideration required to purchase Old Notes tendered in connection with the Offers and consent solicitations, (ii) if we so elect, to redeem any Old Notes that remain outstanding following completion of the Offers, including the payment of any applicable accrued and unpaid interest

Table of Contents

	on such Old Notes, (iii) to reduce borrowings under the term loan facility of our existing credit agreement, (iv) to pay transaction fees and expenses and (v) for general corporate purposes. See Use of Proceeds.
Risk Factors	See Risk Factors and the other information included or incorporated by reference in this prospectus supplement for a discussion of certain factors you should carefully consider before deciding to invest in the notes.

Table of Contents

Summary Consolidated Financial Information

The following table sets forth our summary consolidated financial information as of and for the fiscal years ended December 31, 2009, 2008, 2007, 2006 and 2005. The information was derived from our audited annual consolidated financial statements. You should read the following summary consolidated financial information together with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements, including the related notes, in each case, contained in our Annual Report on Form 10-K for the year ended December 31, 2009 (the Form 10-K) filed with the SEC on February 17, 2010, which is incorporated by reference in the accompanying prospectus.

	As of and for the Year Ended December 31,				
	2009	2008	2007 (In millions)	2006	2005
Consolidated Statements of Operations Data:					
Revenue	$ 10,757.8	$ 13,376.4	$ 16,385.2	$ 17,107.2	$ 16,616.8
Operating income (loss)	410.2	(1,279.7)	683.0	752.3	742.7
Floorplan interest expense	(36.1)	(81.1)	(118.1)	(119.6)	(87.6)
Operating income (loss) less floorplan interest expense (1)	374.1	(1,360.8)	564.9	632.7	655.1
Income (loss) from continuing operations before income taxes (2)	351.0	(1,401.4)	452.9	520.4	582.2
Net income (loss) (2)	198.0	(1,243.1)	278.7	316.9	496.5
Consolidated Balance Sheets Data:					
Total assets	$ 5,407.3	$ 6,014.1	$ 8,479.6	$ 8,601.4	$ 8,824.5
Long-term debt, net of current maturities	1,105.0	1,225.6	1,751.9	1,557.9	484.4
Shareholders equity	2,303.2	2,198.1	3,473.5	3,712.7	4,669.5
Other Data:					
Adjusted EBITDA (3)	$ 464.4	$ 552.4	$ 766.6		

(1) Management uses operating income (loss) less floorplan interest expense, which is calculated by subtracting floorplan interest expense from operating income (loss), as a key measure of profitability. This non-GAAP financial measure should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP.

(2) During 2008, we recorded impairment charges of $1.76 billion ($1.46 billion after-tax) associated with goodwill and franchise rights. During 2009, we reclassified impairment charges related to franchise rights of $19.1 million ($11.7 million after-tax) that were recorded during 2008 to Loss from Discontinued Operations in our Consolidated Statements of Operations for the year ended December 31, 2008, as the stores associated with these impairment charges were reclassified to discontinued operations during 2009. See Notes 5 and 13 of the Notes to Consolidated Financial Statements for more information.

(3) Adjusted EBITDA represents net income before interest expense, income tax expense, depreciation and amortization expense, loss from discontinued operations (net of income taxes), goodwill and franchise rights impairments, gain on senior note repurchases and certain other items as detailed in the reconciliation included below. See Non-GAAP Financial Measures for the discussion of our use of adjusted EBITDA. We did not calculate, and the table does not disclose, adjusted EBITDA for the years ended December 31, 2006 or December 31, 2005.

Table of Contents

The following table sets forth an unaudited reconciliation of net income to adjusted EBITDA:

	As of and for the Year Ended December 31,		
	2009	2008	2007
		(In millions)	
Net income (loss)	**$ 198.0**	**$ (1,243.1)**	**$ 278.7**
Loss (income) from discontinued operations, net of income taxes	36.2	30.7	5.3
Income tax provision (benefit)	116.8	(189.0)	168.9
Depreciation and amortization	77.5	85.0	84.0
Goodwill impairment		1,610.0	
Franchise rights impairment	1.5	127.4	
Floorplan interest expense	36.1	81.1	118.1
Other interest expense	42.6	89.4	114.1
Gain on senior note repurchases	(13.0)	(51.3)	
Interest income			