

ASBURY AUTOMOTIVE GROUP INC
Form 10-Q/A
March 15, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q/A

Amendment No. 1

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

For the quarterly period ended September 30, 2005

OR

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**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

(State or other jurisdiction of incorporation or organization)

622 Third Avenue, 37th Floor

New York, New York

(Address of principal executive offices)

01-0609375

(I.R.S. Employer Identification No.)

10017

(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 ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of November 7, 2005, was 32,826,289 (net of 1,586,587 treasury shares).

EXPLANATORY NOTE

We are filing Amendment No. 1 to the Asbury Automotive Group, Inc. Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2005 to change the presentation of certain floor plan notes payable information. We finance substantially all of our new and at times a portion of our used vehicle inventories under revolving floor plan notes payable with various lenders. Consistent with industry practice, the Company previously reported all floor plan notes payable as a single line on our Consolidated Balance Sheets and all cash flow activity relating to floor plan notes payable in the operating activities section of our Consolidated Statement of Cash flows. In addition, we historically considered all borrowings and repayments of floor plan notes payable associated with inventory acquired through a dealership acquisition and inventory sold through a dealership divestiture, non-cash activities. Floor plan notes payable to a party unaffiliated with the manufacturer of a particular new vehicle, and all floor plan notes payable relating to pre-owned vehicles, have been restated as floor plan notes payable non-manufacturer affiliated on the Consolidated Balance Sheets, and the related non-manufacturer affiliated cash flows have been restated from operating activities to financing activities on the Consolidated Statements of Cash Flows with borrowings reflected separately from repayments. In addition, we have included floor plan notes payable activity associated with dealership acquisitions and divestitures in the Consolidated Statements of Cash Flows.

The changes in presentation have no effect on net income, earnings per share, stockholder's equity or our conclusion that our disclosure controls and procedures were effective as of September 30, 2005. We have made certain other immaterial reclassifications to conform to current presentation. All other information in this amendment is as of the date of the original filing and does not reflect any subsequent information or events occurring after the date of the original filing. Forward looking statements made reflect our expectations as of the date of our original filing and have not been adjusted to reflect subsequent information.

ASBURY AUTOMOTIVE GROUP, INC.
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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

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

	September 30, 2005 (Unaudited) (Restated)*	December 31, 2004 (Restated)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 25,998	\$ 28,093
Contracts-in-transit	81,961	105,360
Restricted investments	909	1,645
Accounts receivable (net of allowance of \$1,057 and \$2,073, respectively)	143,149	148,196
Inventories	623,444	761,557
Deferred income taxes	15,570	15,576
Prepaid and other current assets	57,950	56,831
Assets held for sale	60,338	25,748
Total current assets	1,009,319	1,143,006
PROPERTY AND EQUIPMENT, net	206,900	195,788
GOODWILL	467,188	461,650
RESTRICTED INVESTMENTS, net of current portion	3,932	2,478
OTHER LONG-TERM ASSETS	94,842	95,037
Total assets	\$ 1,782,181	\$ 1,897,959
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable - manufacturer affiliated	\$ 160,013	\$ 336,369
Floor plan notes payable - non-manufacturer affiliated	338,925	314,579
Current maturities of long-term debt	24,407	33,880
Accounts payable	54,191	53,078
Accrued liabilities	103,635	89,066
Liabilities associated with assets held for sale	32,891	20,538
Total current liabilities	714,062	847,510
LONG-TERM DEBT	473,818	492,536
DEFERRED INCOME TAXES	39,991	40,360
OTHER LONG-TERM LIABILITIES	28,668	35,821
COMMITMENTS AND CONTINGENCIES (Note 13)		
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 34,398,104 and 34,163,759 shares issued, including shares held in treasury, respectively	344	342
Additional paid-in capital	416,494	413,094
Retained earnings	128,484	87,905
Treasury stock, at cost; 1,586,587 shares held	(15,032)	(15,032)
Accumulated other comprehensive loss	(4,648)	(4,577)
Total shareholders' equity	525,642	481,732
Total liabilities and shareholders' equity	\$ 1,782,181	\$ 1,897,959

* See Note 2 - Restatement

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 September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
REVENUES:				
New vehicle	\$ 900,618	\$ 803,696	\$ 2,559,809	\$ 2,254,514
Used vehicle	361,889	303,521	1,035,201	887,514
Parts, service and collision repair	167,789	148,580	482,801	425,081
Finance and insurance, net	40,380	36,024	115,514	99,353
Total revenues	1,470,676	1,291,821	4,193,325	