AUTONATION, INC.
RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES
($ in millions, except per share data)
(Unaudited)

The Company may from time to time publicly disclose certain non-GAAP financial measures as defined under SEC rules, such as adjusted net income and earnings per share from continuing operations, which exclude certain items disclosed in the tables below. As required by SEC rules, the Company has provided reconciliations of these measures to the most directly comparable GAAP measures, which are set forth in the tables below. The Company believes that each of these non-GAAP financial measures provides a meaningful presentation of the Company's results excluding the impact of items not related to the Company's ongoing core business operations and improves the period-to-period comparability of the Company's results from its core business operations. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated and presented in accordance with GAAP.

The following data is derived from the Company's unaudited consolidated statements of operations presented in its press release dated February 3, 2011 announcing the Company's fourth quarter and full year 2010 financial results.

Comparable Basis Reconciliations

	Twelve Months Ended December 31,			
	Net Income		Diluted Earnings Per Share*	
	2010	2009	2010	2009
As reported	$ 226.6	$ 198.0	$ 1.43	$ 1.12
Discontinued operations, net of income taxes	8.7	35.1	$ 0.05	$ 0.20
From continuing operations, as reported	235.3	233.1	$ 1.48	$ 1.31
Loss on debt extinguishment	12.1	-	$ 0.08	$ -
Income tax adjustments	-	(12.7)	$ -	$ (0.07)
Net gain on asset sales and dispositions	-	(10.4)	$ -	$ (0.06)
Gain on senior note repurchases	-	(8.1)	$ -	$ (0.05)
Property and other impairments	-	2.1	$ -	$ 0.01
Adjusted	$ 247.4	$ 204.0	$ 1.56	$ 1.15

* Earnings per share amounts are calculated discretely and therefore may not add up to the total.