



**DriveTime**<sup>®</sup>  
The Go-to-Guys for Cars and Credit.<sup>™</sup>

## Investors' Presentation

January 2012

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# SECTION 1: EXECUTIVE SUMMARY



# Executive Summary

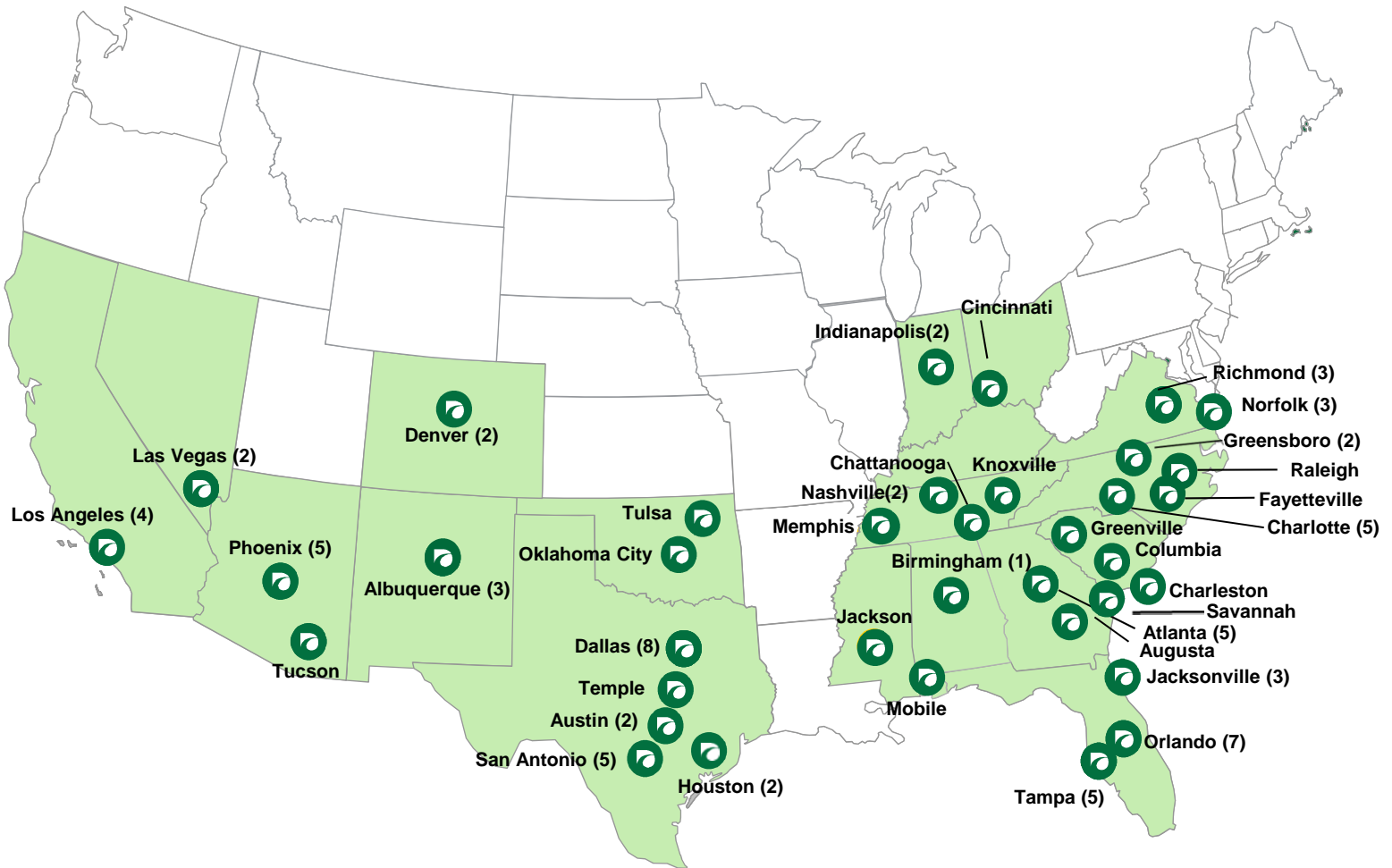
- ① DriveTime Automotive Group (“DriveTime” or the “Company”) is the leading used vehicle retailer in the United States solely focused on the sale and financing of quality vehicles to the subprime market
- ① Over the past 19 years the Company has developed an integrated business model that provides its customers with a comprehensive end-to-end solution for their automotive needs, including the sale, financing and maintenance of vehicles
  - Operates 88 branded dealerships and 14 reconditioning facilities in 34 geographic areas as of September 30, 2011
  - For the last twelve months ended September 30, 2011, the Company:
    - Sold 56,496 vehicles
    - Generated Revenue of \$1.1 billion
    - Generated Adjusted EBITDA of \$185 million
    - Generated Net Income of \$85 million
    - Managed a retail loan portfolio of \$1.5 billion



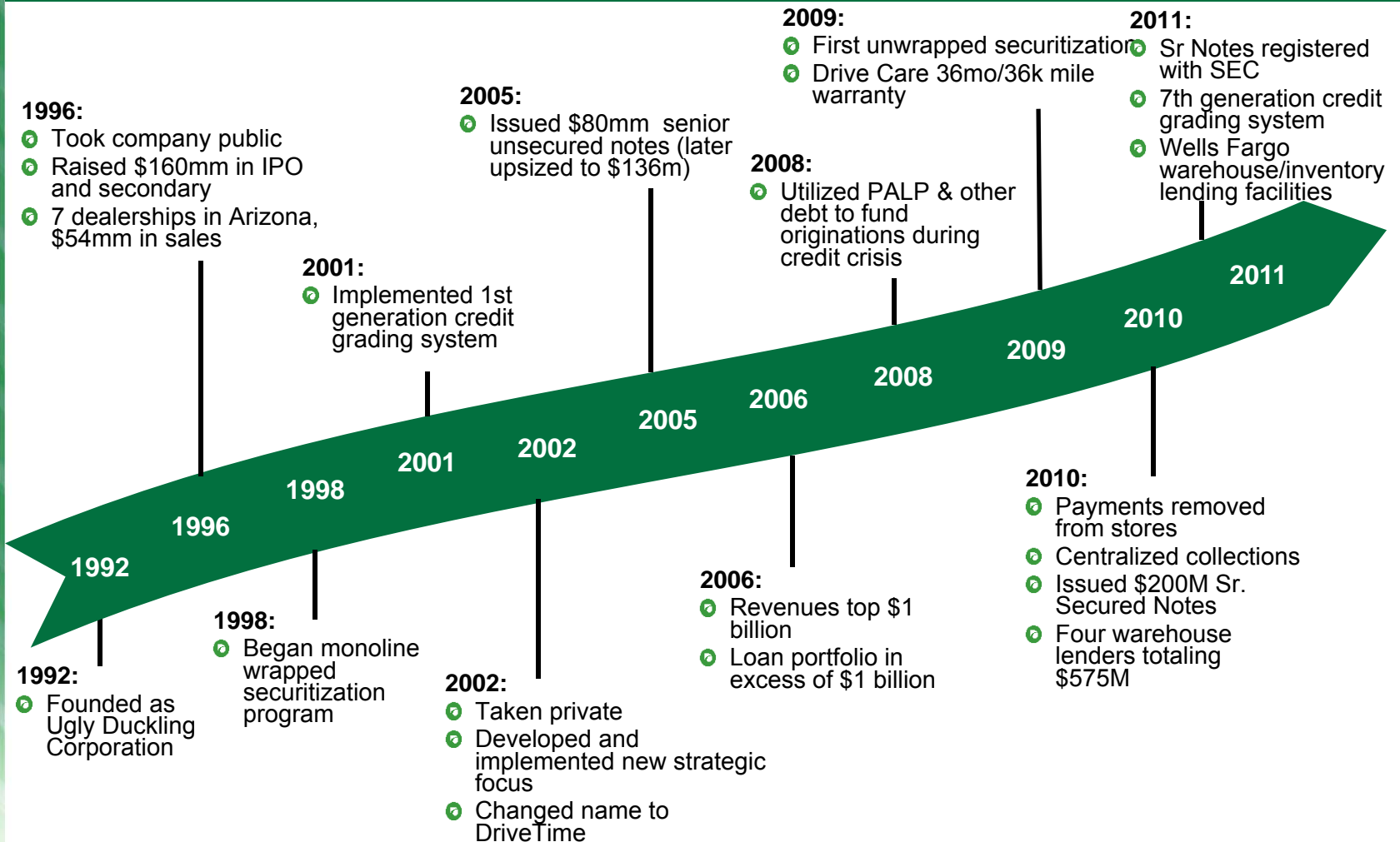
## **SECTION 2: COMPANY OVERVIEW**



# DriveTime Locations ( as of 9/30/2011)



# Company History





# Dealership Pictures



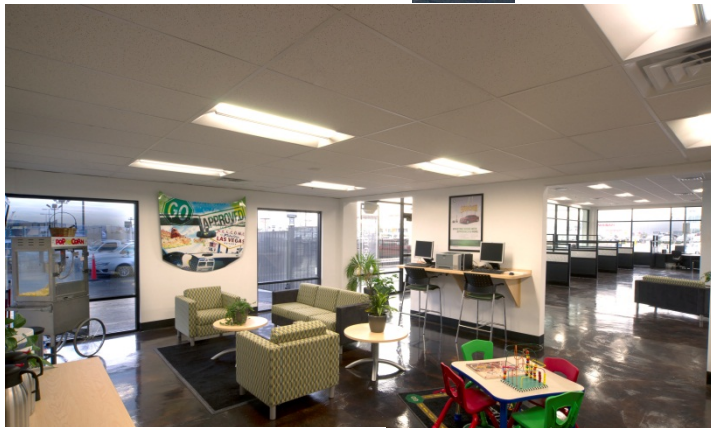
Opened November 19, 2010

Memphis



Opened June 10, 2011

Houston



Remodel October 31, 2011

Las Vegas



Opened April 29, 2011

Indianapolis



# Inspection Centers: 14 Reconditioning Facilities in U.S.



Blue Mound, Dallas, TX



Foster Rd, San Antonio, TX



Transport Dr, Charlotte, NC



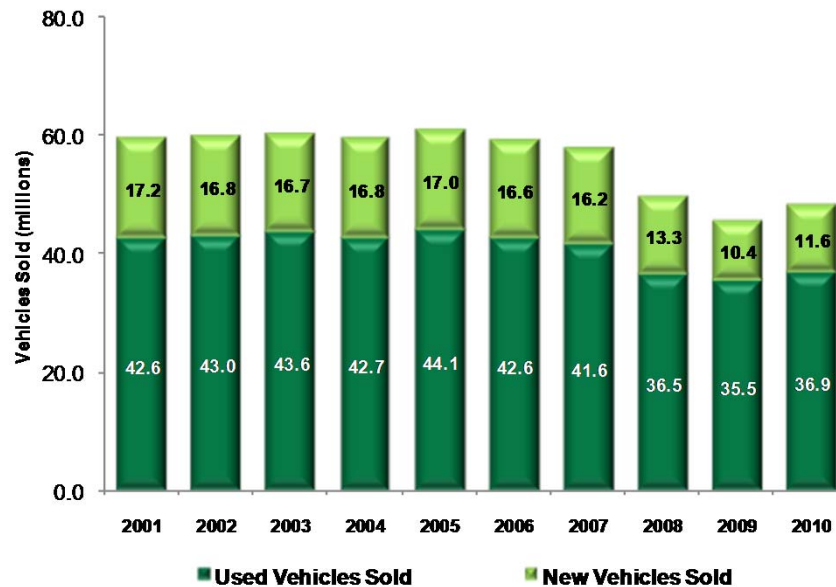
Blue Mound, Dallas, TX



# Leading Used Vehicle Retailer

- Second largest “branded” used vehicle retailer
- Largest used vehicle retailer focusing on subprime segment

New and Used Car Sales



Source CNW.

Top Used Vehicle Retailers

2010 Rank	Company	2010 # of Used Vehicles Sold <sup>(1)</sup>	2010 Market Share <sup>(1)</sup>
1	CarMax (KMX)	357,129	0.9% <sup>(3)</sup>
2	AutoNation (AN)	160,126	0.4%
3	Penske Automotive (PAG)	113,676	0.3%
4	Sonic Automotive (SAH)	91,177	0.2%
5	Van Tuyl Group (private)	73,687	0.2%
6	Group 1 Automotive (GPI)	66,001	0.1%
7	<b>DriveTime</b>	<b>52,500</b>	<b>0.1%</b> <sup>(3)</sup>

(1) As a % of total 2010 used vehicles sold by franchised and independent dealerships and private sales (36.9 million). (Source – Automotive News)

(2) Source: Automotive News.

(3) Represents a branded dealership.

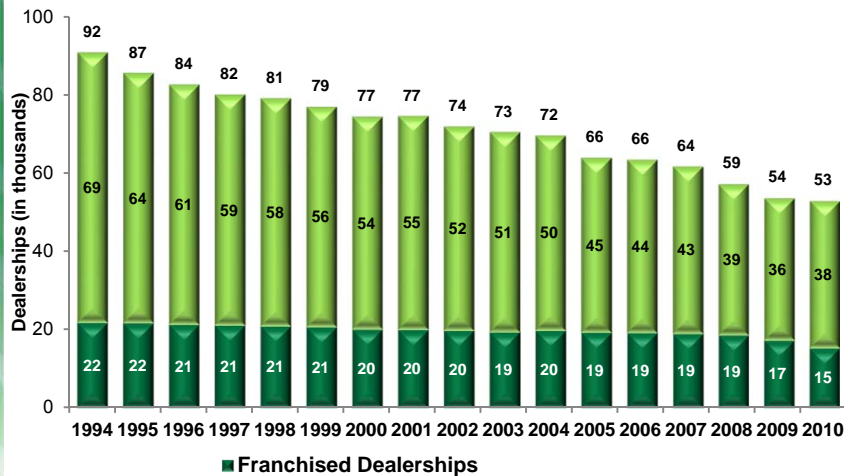




# Fragmented & Underserved Market

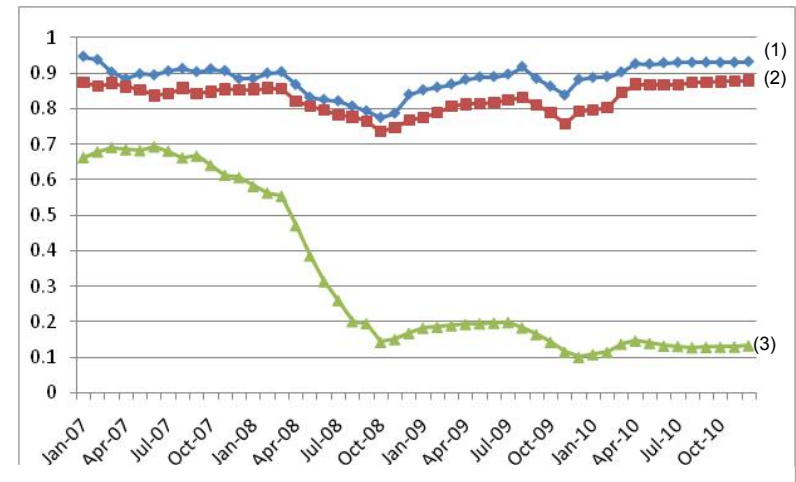
- ➊ During 2010, DriveTime accounted for 0.1% of total used vehicles sold
- ➋ Percentage of U.S. population with a FICO score under 600 is approximately 25.5% as of April 2010, up from approximately 22% as of October 2005
- ➌ Industry wide subprime approval rates have dropped from nearly 70% to around 13%
  - Withdrawal of other sub-prime lenders has driven increased customer volume to the Company
- ➍ The number of auto dealerships in the U.S. has declined by 37% in the past 15 years

Industry-Wide Number of Dealerships



Source: CNW.

Industry-Wide Loan Approval Rate



Source: CNW.  
Subprime define as borrowers with FICO scores below 620.

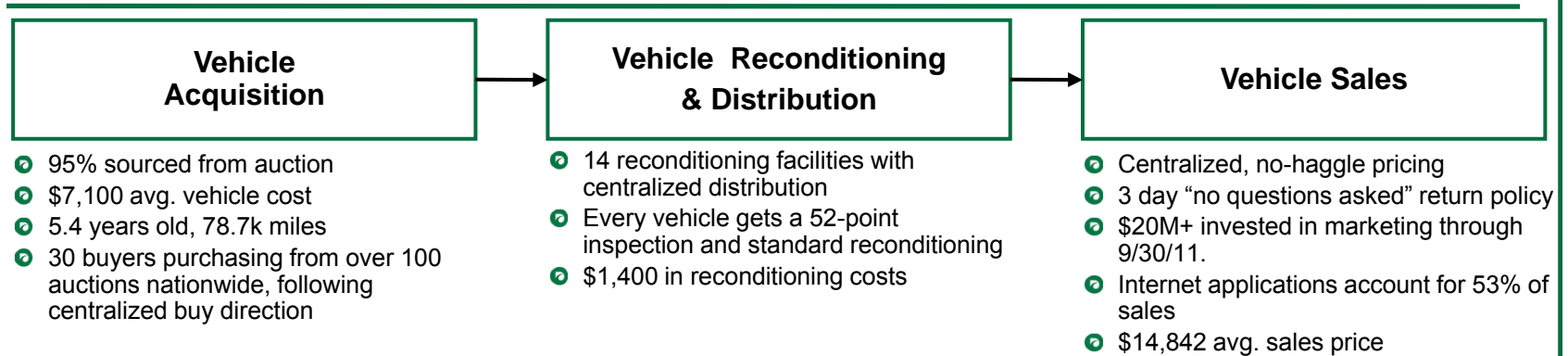
(1)-Prime  
(2)- Near Prime  
(3)- Sub Prime



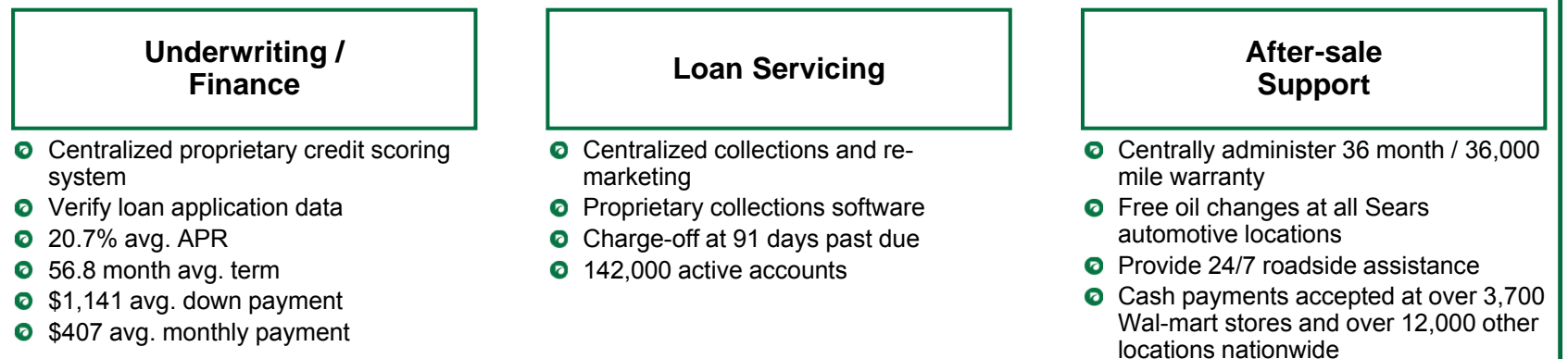
DriveTime

# Integrated Business Model

## Retail



## Portfolio



*Retail information based on 9 months ended September 30, 2011 averages. Portfolio Information as of September 30, 2011.*



# Marketing Investment has Created Significant Brand Recognition

- Uniform television and online advertising campaigns
- \$20.8 million invested in marketing through September 30, 2011
- Over 228,930 television and 11,261 radio commercials aired through September 30, 2011.
- Multi faceted online marketing strategy which includes: PPC, SEO, 3rd party lead acquisition and affiliate marketing
- Approximately 53% of customers complete applications online before arriving in the dealership
- Launched new website December 2011
- New TV/radio campaign January 2012



**DriveTime**

**Vehicle Details**

**2007 TAHOE**  
 Body Style: 4-Door Sedan  
 Color: Charcoal  
 Engine: 3.5L V6

Mileage: 100,000  
 VIN #: xxx xxxx xxxxxx

**Vehicle Features**

**DriveTime's MULTI-POINT INSPECTION**

**Pre-Purchase**  
 DriveTime buyers review major mechanical systems and structural integrity before we purchase a vehicle from an auto auction.

**Mechanical**  
 Primary inspection involving multiple test drives and review of the control/blower, brakes/brakes, suspension, undercarriage, transmission, drive train and engine components.

**Quality Control**  
 Ensure that the vehicle has been repaired to meet our strict mechanical requirements and cosmetic standards.

**Delivery**  
 Final check at the dealership before the car is delivered to the customer.

**OneTrue Price**  
 Oodles of Extras. One Price. No Surprises.

**OneTrue Price**

DRIVECARE	VALUE*	DriveTime
» 36 mo/36,000 mile limited warranty	\$2,040	INCLUDED
» 3 oil changes/year for 3 years	\$390	INCLUDED
» 24/7 Roadside Assistance	\$205	INCLUDED
<b>OTHER GOOD STUFF</b>		
» Total Loss Protection	\$400	INCLUDED
» Life Assistance*	\$285	INCLUDED
» Dealer Doc/Processing Fees	\$130	INCLUDED
» Anti Theft Device GPS	\$610	INCLUDED
» Experian History Report	✓	INCLUDED
» Multi-Point Inspection	✓	INCLUDED
<b>TOTAL VALUE =</b>	<b>\$4,060</b>	<b>INCLUDED</b>
<b>OneTrue Price = \$15,395</b>		

\*Third Party Source: CWW Research, Purchase Price Guides 2005-2011. Based on national averages, prices may vary. See dealer for more details.





# SECTION 3: SERVICING AND COLLECTIONS



# Operational Enhancements

## Customer Payments

- ④ DriveTime entered into an agreement with CheckFreePay that went live December 2009 to allow cash payers to pay at CheckFreePay locations in all 50 states
  - These locations include Wal-mart, The UPS Store, Ace Cash Express, Farm Fresh Grocery stores and H-E-B Grocery stores among many others
  - There are over 12,000 CheckFree locations that accept payments from DriveTime (Includes 3,700 Wal-Mart locations)
  - All payments have been removed from stores

## Servicing Centralization

- ④ As of April 2010, DriveTime began servicing all accounts out of a centralized collections model
- ④ Our current collections strategy is:
  - 1-43 DPD accounts are serviced in Dallas, Orlando and Richmond Collection Centers
  - 44+ DPD accounts are serviced in Mesa Collections Center



# SECTION 4: UNDERWRITING & CREDIT SCORING




# Expertise in Credit Risk Management through Origination Strategy and Analysis

- ④ Our scoring system is the key component in determining origination strategies
- ④ Information used by the credit scoring system is gathered from multiple sources
  - Credit bureau
  - Debit bureau
  - Alternative data sources
- ④ Credit scoring system is automated
  - Dealership personnel input credit application data and initiate the credit scoring process
  - Internal models are housed on SQL Servers at corporate office
  - After the application data is entered, the scoring process takes a few seconds
- ④ Evaluated predictiveness of many techniques, including:
  - Segmentation
  - Iterative variable selection
  - Ensemble modeling
- ④ Most predictive techniques were used in the model build
  - Predictiveness based on out of sample testing
  - Cross validated GINIs
- ④ First in house credit scoring model
  - 200% more predictive than FICO



# Our Customer Demographics

-  We segment the sub-prime market into eight credit grades using our proprietary credit scoring models

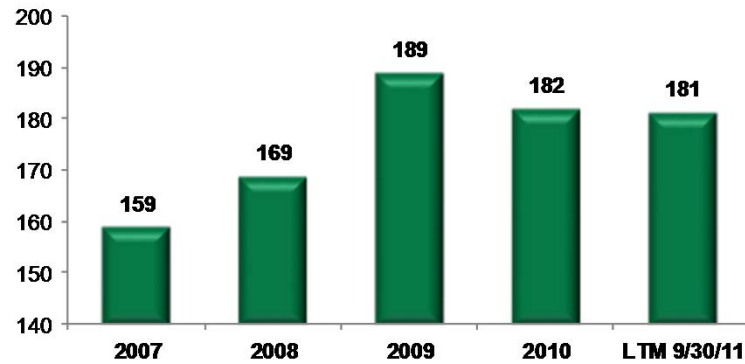
Grade	Avg Age	Avg Combined Income	Avg FICO	No FICO	Home Owner	Avg Time At Job	Avg Time At Address	Avg Time In CB	Percent of Originations
A+	44	\$ 3,922	557	4%	42%	7.1	8.2	7.0	9.1%
A	41	\$ 3,426	539	9%	29%	6.8	6.8	6.3	16.3%
B	38	\$ 3,084	525	15%	16%	5.3	5.3	5.5	35.5%
C	35	\$ 2,861	512	21%	8%	3.9	3.9	4.7	30.6%
C-	33	\$ 2,786	501	23%	4%	3.0	3.0	4.1	6.0%
D+	32	\$ 2,816	491	20%	4%	2.5	2.5	3.9	1.9%
D	31	\$ 2,881	481	15%	4%	2.2	2.2	3.6	0.4%
D-	34	\$ 2,647	477	33%	11%	3.8	3.8	3.4	0.2%
<b>Wtd Avg</b>	<b>38</b>	<b>\$ 3,123</b>	<b>525</b>	<b>15%</b>	<b>17%</b>	<b>5.2</b>	<b>5.2</b>	<b>5.4</b>	<b>100.0%</b>

Note: based on the 12 months ended September 30, 2011

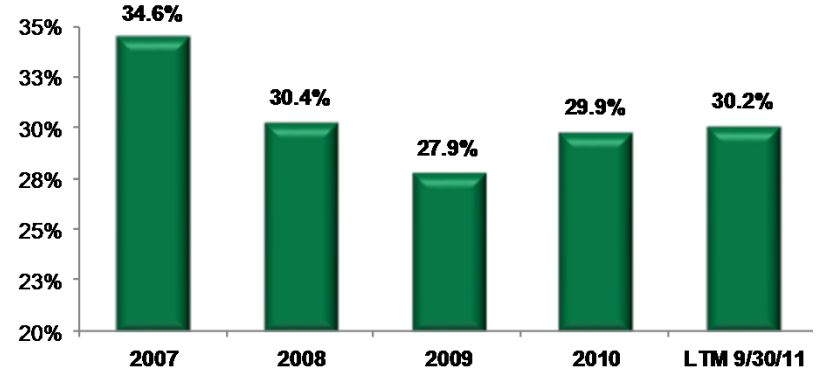


# Macroeconomic Environment Led to DriveTime Tightening Credit Standards in 2<sup>nd</sup> Q 2008

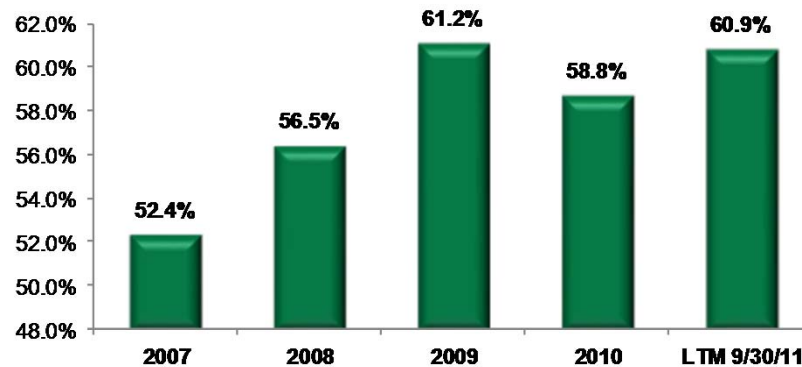
Monthly Application Volumes Per Store



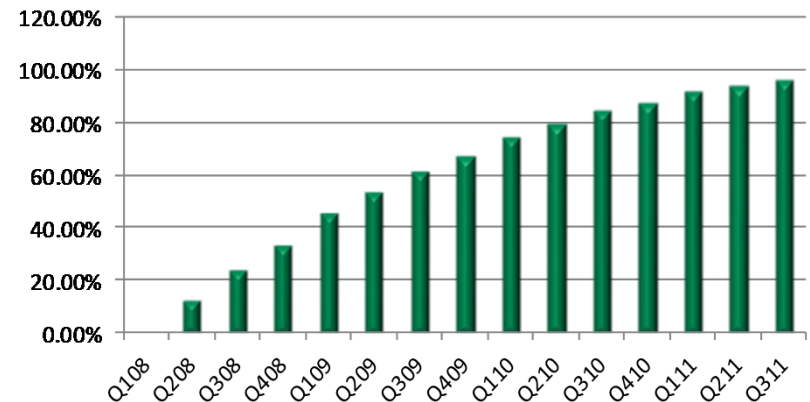
Close Rates



Sales Grade Mix - Top Three Credit Grades

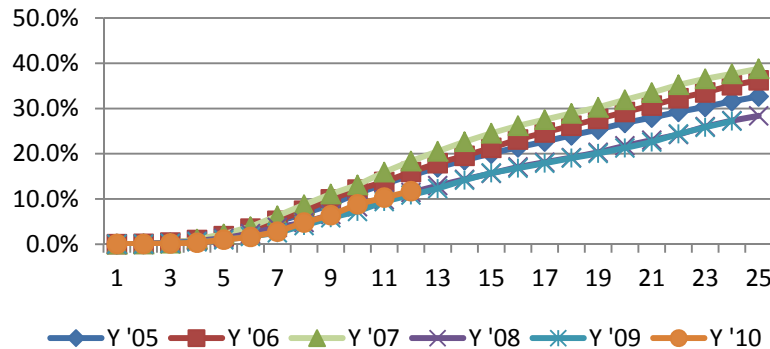


Percent of Portfolio Originated Since 3/31/08

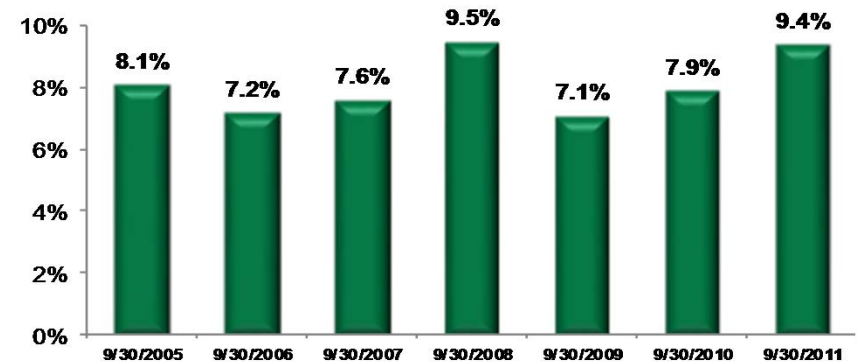


# Portfolio Performance

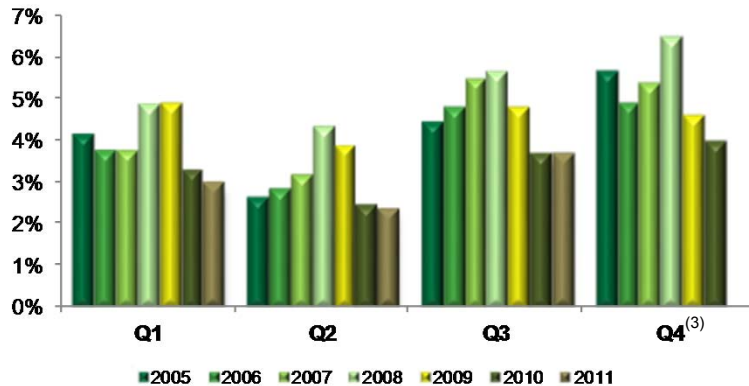
## December Originations – Gross Loss Static Pool



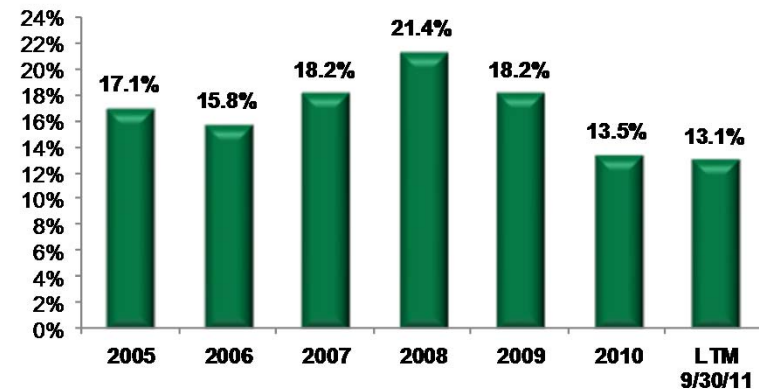
## Portfolio Delinquencies Over 30 Days <sup>(1)</sup>



## Net Charge-Offs by Quarter (% Avg. Portfolio)



## Net Charge-Offs by Year (% Avg. Portfolio)



DriveTime

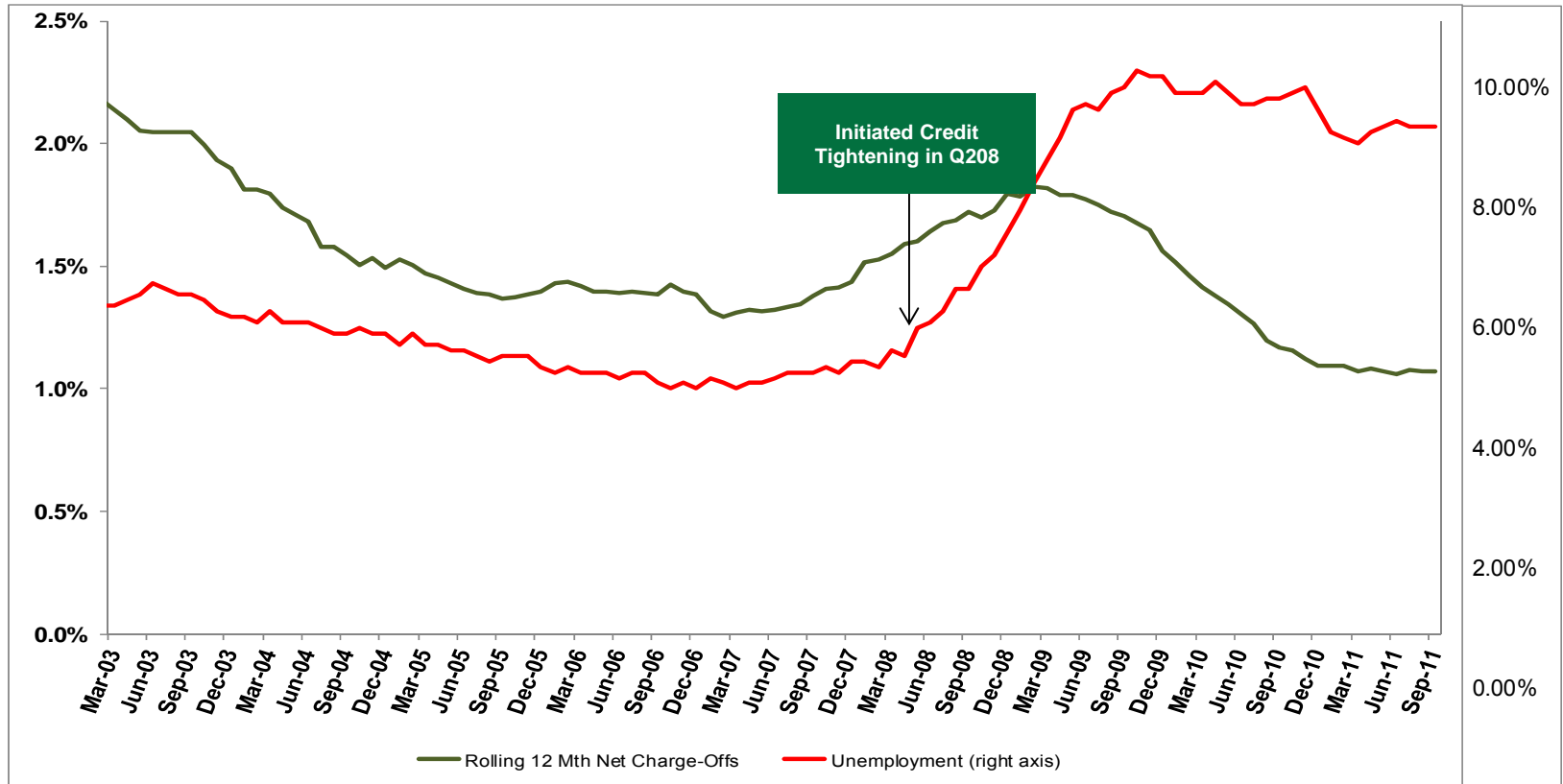
(1) Delinquencies are presented on a Sunday-to-Sunday basis, which reflects delinquencies as of the nearest Sunday to period end. Sunday is used to eliminate any impact of the day of the week on delinquencies since delinquencies tend to be higher mid-week.

(2) Gross Loss Rates are prior to recoveries

(3) Excludes the effect of a \$5M one time adjustment for state sales tax recoveries.

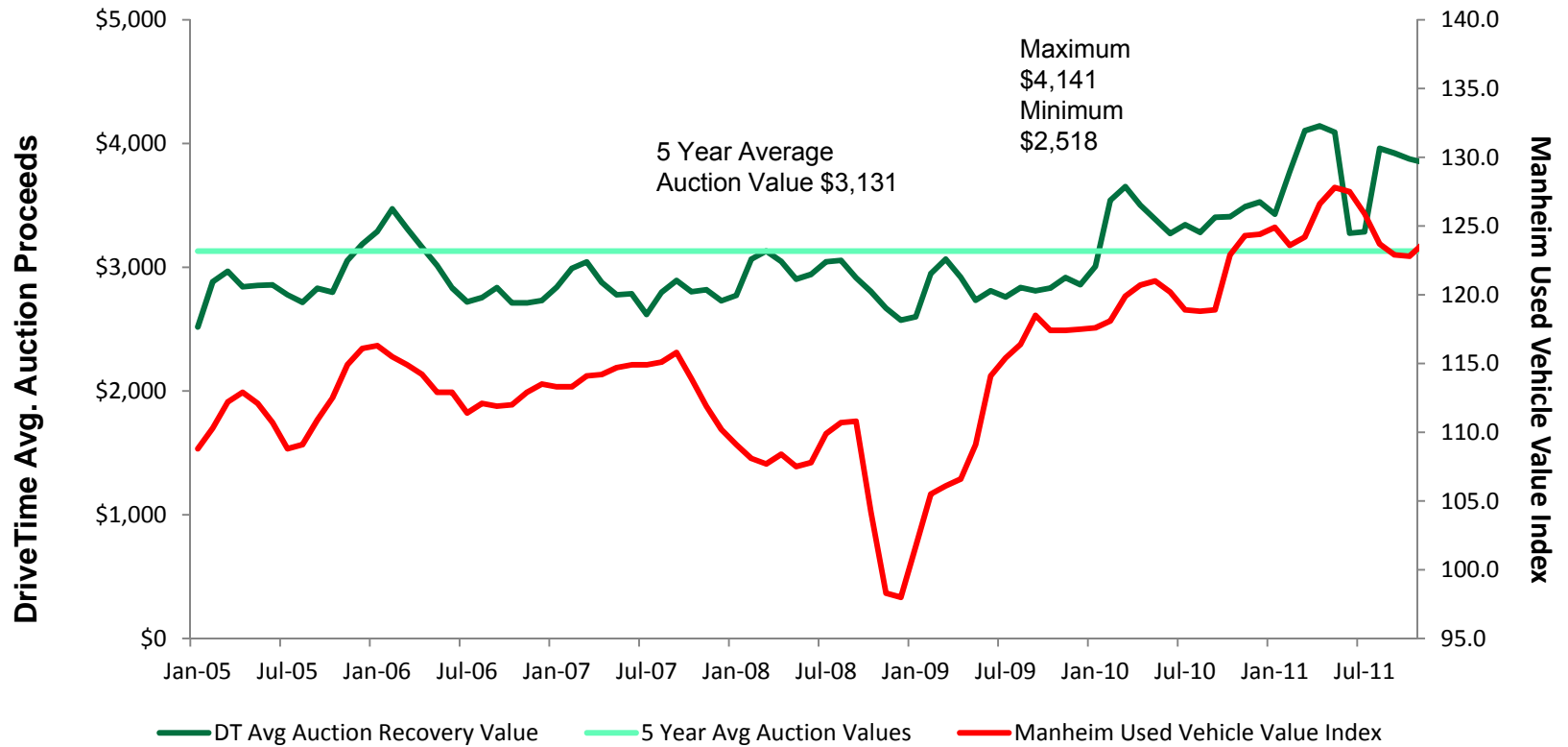
# Unemployment & Net Charge-Offs

Net Charge-Off / Unemployment Correlation



# Relatively Stable Recovery Values

## Historical Value of Used Vehicles



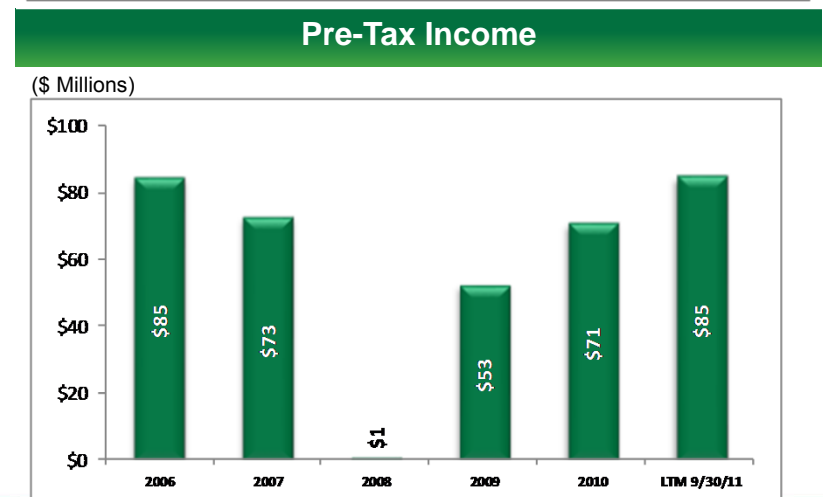
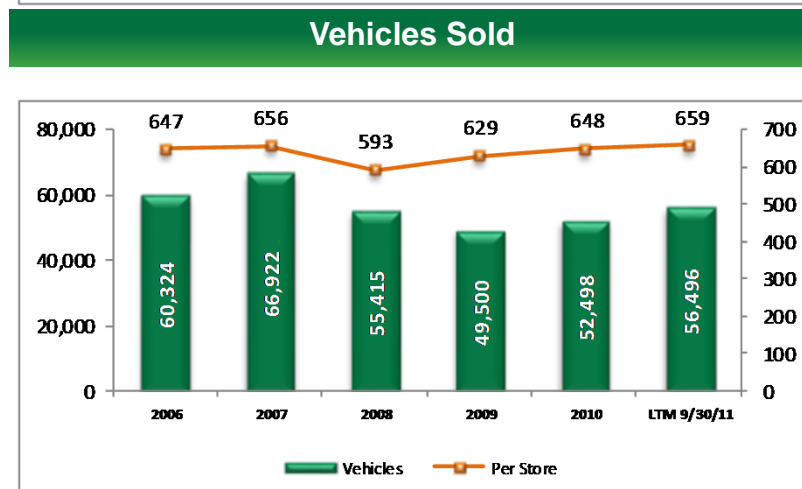
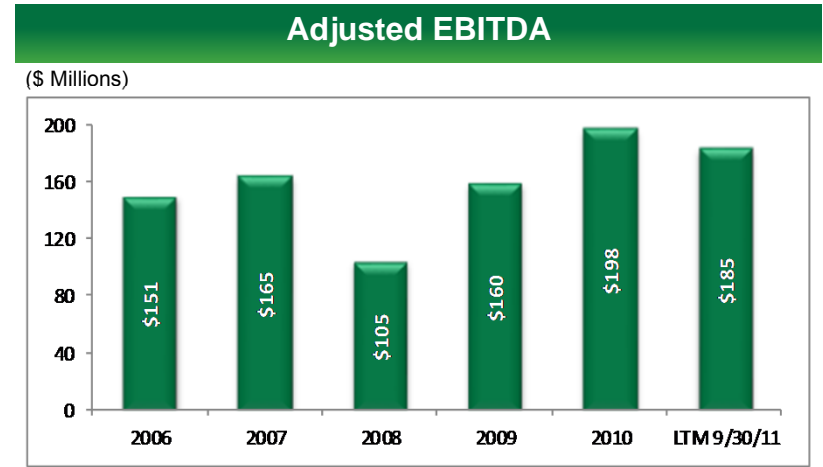
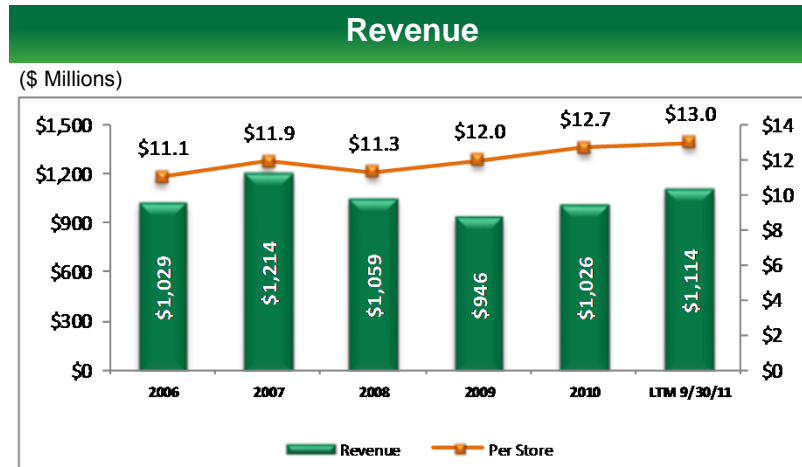
# SECTION 5: FINANCIALS





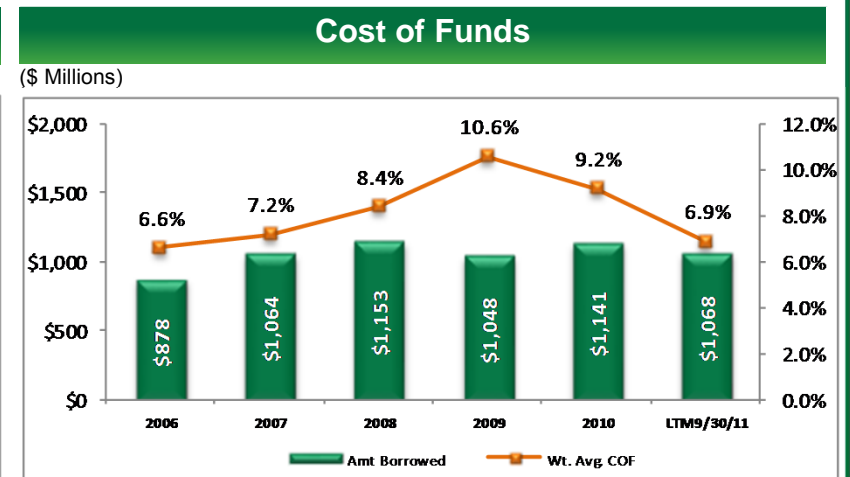
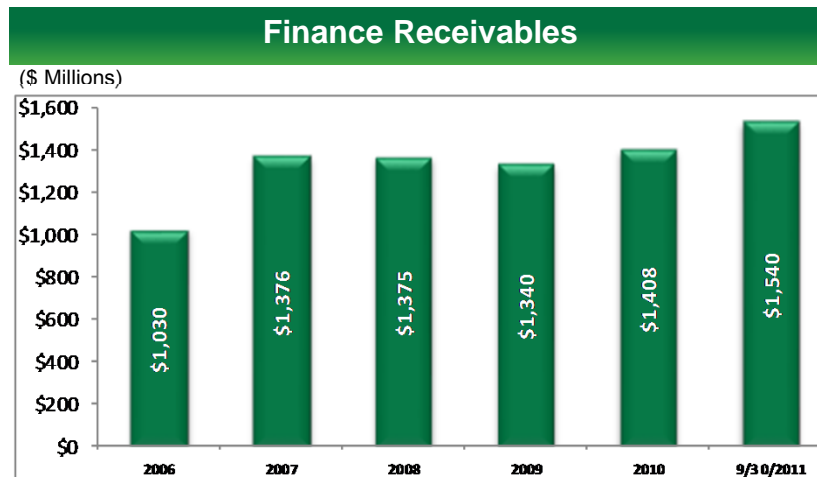
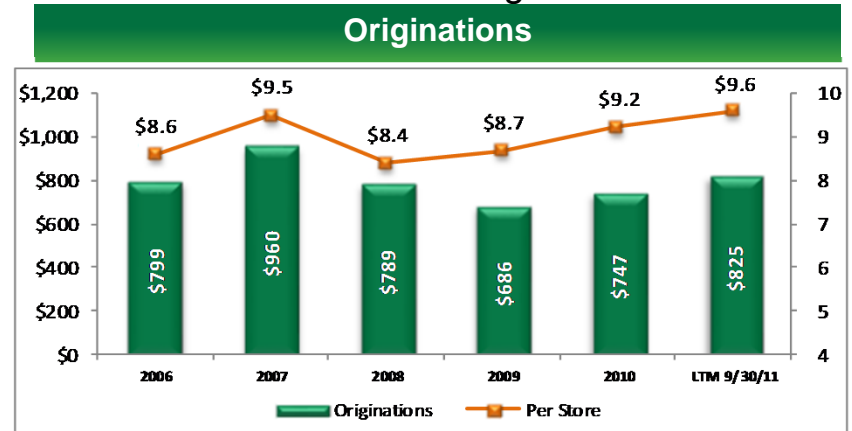
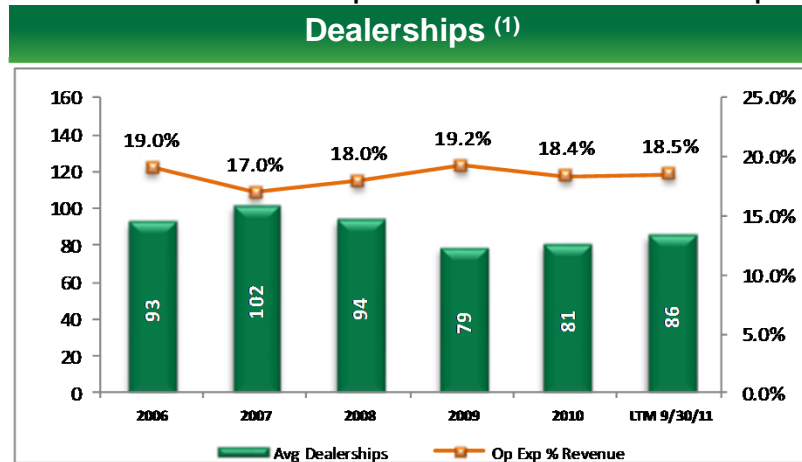
# History of Profitability Through Credit Cycles

Proven ability to manage through all credit cycles



# Operational Metrics

🔄 Closed dealerships in 2008 & 2009 in response to reduced access to funding



(1) Operating Expenses exclude store closure costs, legal settlement, and non cash compensation expense

# Selected Financial Data

(\$ in thousands)	For the Twelve Months Ended and As of December 31,					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>LTM9/30/11</u>
Vehicles Sold	60,324	66,922	55,415	49,500	52,498	56,496
Total Revenue	\$ 1,028,814	\$ 1,214,249	\$ 1,058,625	\$ 946,282	\$ 1,025,741	\$ 1,113,907
Costs and Expenses	\$ (944,134)	\$ (1,141,354)	\$ (1,057,815)	\$ (893,555)	\$ (954,655)	\$ (1,015,103)
Pretax Earnings	\$ 84,680	\$ 72,895	\$ 810	\$ 52,727	\$ 71,086	\$ 98,805
Adjusted EBITDA (a)	\$ 151,110	\$ 165,380	\$ 104,515	\$ 159,478	\$ 198,500	\$ 184,607
Finance Receivables	\$ 1,129,509	\$ 1,375,961	\$ 1,375,019	\$ 1,340,591	\$ 1,408,741	\$ 1,540,304
Total Assets	\$ 1,333,235	\$ 1,515,646	\$ 1,430,738	\$ 1,432,080	\$ 1,568,154	\$ 1,717,991
Long Term Senior Secured Debt	\$ -	\$ -	\$ -	\$ -	\$ 197,829	\$ 197,998
Long Term Subordinated Secured Debt	\$ -	\$ -	\$ 55,100	\$ 62,088	\$ -	\$ -
Long Term Sr. Unsecured Debt	\$ 77,064	\$ 131,823	\$ 194,866	\$ 76,487	\$ -	\$ -
Shareholders' Equity	\$ 256,070	\$ 276,771	\$ 266,008	\$ 293,145	\$ 418,767	\$ 460,206
Total Long Term Capital	\$ 333,134	\$ 408,594	\$ 515,974	\$ 431,720	\$ 616,596	\$ 658,205
Total Shareholder Investment	\$ 256,070	\$ 276,771	\$ 373,008	\$ 428,233	\$ 418,767	\$ 460,206

(a) Adjusted EBITDA = net income (loss) before income tax expense; plus total interest expense, depreciation expense, store closing costs, legal settlement (2009), and non-cash compensation expense, less gain / (plus loss) on extinguishment of debt, net.

# Debt & Liquidity Overview

Type	Size/Amount	Maturity
<b>Total Cash &amp; Availability (9.30.2011):</b>	<b>\$183M</b>	(a)
<b>Securizations Original Debt:</b>		
2009-1	\$193M	Sep-12 (b)
2010-1	\$228M	Mar-13 (b)
2011-1	\$214M	Oct-13 (b)
2011-2	\$247M	Apr-14 (b)
2011-3	\$247M	Oct-14 (b)
Total	<u>\$1,129M</u>	
<b>Warehouses:</b>		
Deutsche	\$150M	Dec-12
Wells	\$150M	Dec-13
RBS	\$125M	May-12
UBS	\$125M	Aug-12
Total	<u>\$550M</u>	
<b>Residual Facility:</b>		
Santander	\$100M	Sep-13
<b>Inventory Facility:</b>		
Wells/Santander/Manheim	\$140M	Nov-14 (c)
<b>Senior Secured Notes:</b>		
Public Registered Debt	\$200M	Jun-17

(a) - consists of \$23M unrestricted cash, \$160M availability under our credit facilities

(b) - expected final maturity for securitizations

(c) - \$10M seasonal increase (Nov. - Jan.) takes facility to \$140M



# SECTION 6: DTAOT 2011-3





# 2011-3 Pricing & Structure

**Pricing Date:** November 2, 2011  
**Settlement Date:** November 10, 2011  
**Collateral Balance:** \$299,988,940

Class	Rating (S/D)	Balance (\$)	Balance (%)	WAL (yrs to call)	Benchmark	Benchmark Pricing		Yield (%)	Coupon (%)	Price (%)
						Yield (%)	Spread (%)			
A	AAA / AAA	\$148,791,000	49.60%	0.68	EDSF	0.513%	0.90%	1.413%	1.40%	99.99401%
B	AA / AA	\$24,300,000	8.10%	1.72	EDSF	0.548%	2.50%	3.048%	3.02%	99.98519%
C	A+ / A	\$19,500,000	6.50%	2.08	SWAPS	0.568%	3.50%	4.068%	4.03%	99.99202%
D	BBB / BBB	\$54,295,000	18.10%	2.78	SWAPS	0.653%	5.25%	5.903%	5.83%	99.99546%
<b>Total Bonds</b>		<b>\$246,886,000</b>	<b>82.30%</b>	<b>1.35</b>		<b>0.587%</b>	<b>3.38%</b>	<b>3.965%</b>	<b>3.92%</b>	<b>99.99332%</b>
OC		\$53,102,940	17.70%							
<b>Total</b>		<b>\$299,988,940</b>	<b>100.00%</b>							



# DTAOT 2011-3 Bond Summary

	Class A	Class B	Class C	Class D
Initial Principal Amount	\$148,791,000	\$24,300,000	\$19,500,000	\$54,295,000
Class Split (% of pool)	49.60%	8.10%	6.50%	18.10%
Ratings (S&P/DBRS)	AAA / AAA	AA / AA	A+ / A	BBB / BBB
Weighted Average Life to Call <sup>(1)</sup>	0.68	1.72	2.08	2.78
Weighted Average Life to Maturity <sup>(2)</sup>	0.68	1.72	2.08	2.87
Principal Payment Window (mos.)	1-18	18-23	23-27	27-36
Expected Final Distribution Date	May 2013	Oct 2013	Feb 2014	Nov 2014
Legal Final Maturity	Aug 2014	Feb 2017	Feb 2017	Mar 2018
Interest Type	Fixed	Fixed	Fixed	Fixed
Interest Day Count	30/360	30/360	30/360	30/360
Distribution Date		15th of each month (or next business day)		
First Interest Payment Date	15-Dec-11	15-Dec-11	15-Dec-11	15-Dec-11
Pricing Benchmark	EDSF	EDSF	Interp. SWAPS	Interp. SWAPS
ERISA Eligible	Yes	Yes	Yes	Yes
Credit Enhancement				
Subordination:	32.70%	24.60%	18.10%	NA
Reserve Fund:	1.50%	1.50%	1.50%	1.50%
Overcollateralization				
Initial:	17.70%	17.70%	17.70%	17.70%
Target <sup>(3)</sup> :	22.45%	22.45%	22.45%	22.45%
Floor <sup>(4)</sup> :	3.25%	3.25%	3.25%	3.25%
Estimated Excess Spread	12.61%	12.61%	12.61%	12.61%

(1) Assumes a 1.75% ABS prepayment speed with the 10% clean-up call being exercised

(2) Assumes a 1.75% ABS prepayment speed

(3) Expressed as a percentage of the current pool balance

(4) Expressed as a percentage of the initial pool balance



# DTAOT Collateral Comparison

	2011-3	2011-2	2011-1
Aggregate Current Principal Balance:	\$299,988,940	\$299,975,863	\$279,975,468
Aggregate Original Principal Balance:	\$364,722,072	\$373,101,842	\$371,170,189
Number of Total Portfolio Loans:	25,671	26,564	26,166
Average Original Auto Loan Balance:	\$14,208	\$14,045	\$14,185
Average Current Auto Loan Balance:	\$11,686	\$11,293	\$10,700
Average Scheduled Payment:	\$407	\$409	\$414
Weighted Average APR:	20.77%	21.16%	21.27%
Weighted Average Original Loan Term:	56 months	54 months	54 months
Weighted Average Remaining Term:	46 months	44 months	43 months
Weighted Average Seasoning:	10 months	10 months	12 months
Weighted Average Payment Frequency:	17 days	16 days	17 days
Weighted Average FICO Score:	523	518	518
Top 5 States	24.8% (TX)	24.4% (TX)	26.3% (TX)
	16.5% (FL)	17.7% (FL)	16.8% (FL)
	10.2% (NC)	11.1% (NC)	11.1% (NC)
	7.5% (AZ)	7.7% (AZ)	8.1% (VA)
	7.2% (VA)	7.4% (GA)	7.8% (AZ)



# Confidentiality

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