

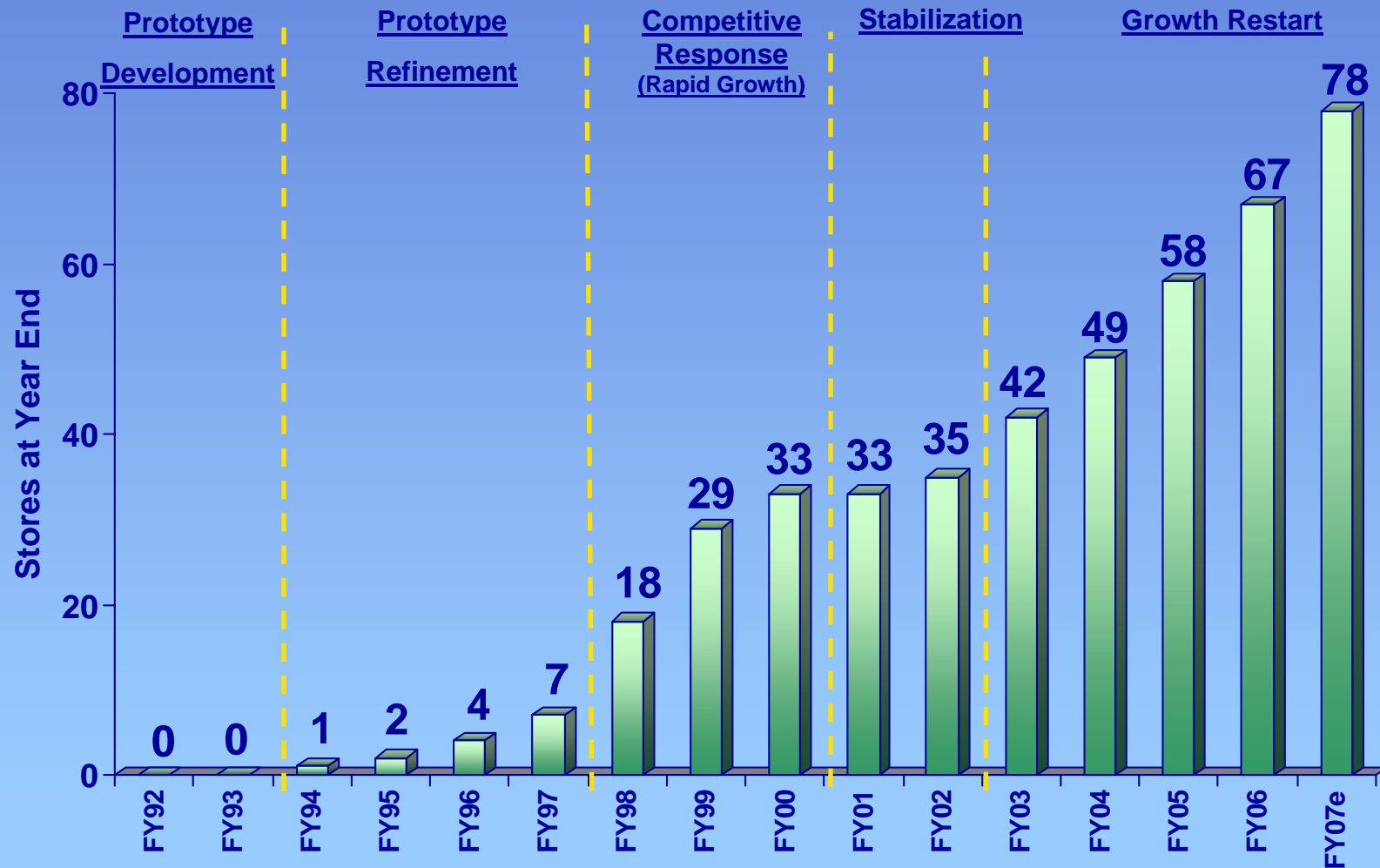


Forward-Looking Statement

This presentation contains forward-looking statements, which are subject to risks and uncertainties. Additional discussion of factors that could cause actual results to differ materially from management's projections, forecasts, estimates, and expectations is contained in the CarMax, Inc. SEC filings.

CarMax Today

Sustainable Store Growth Restarted



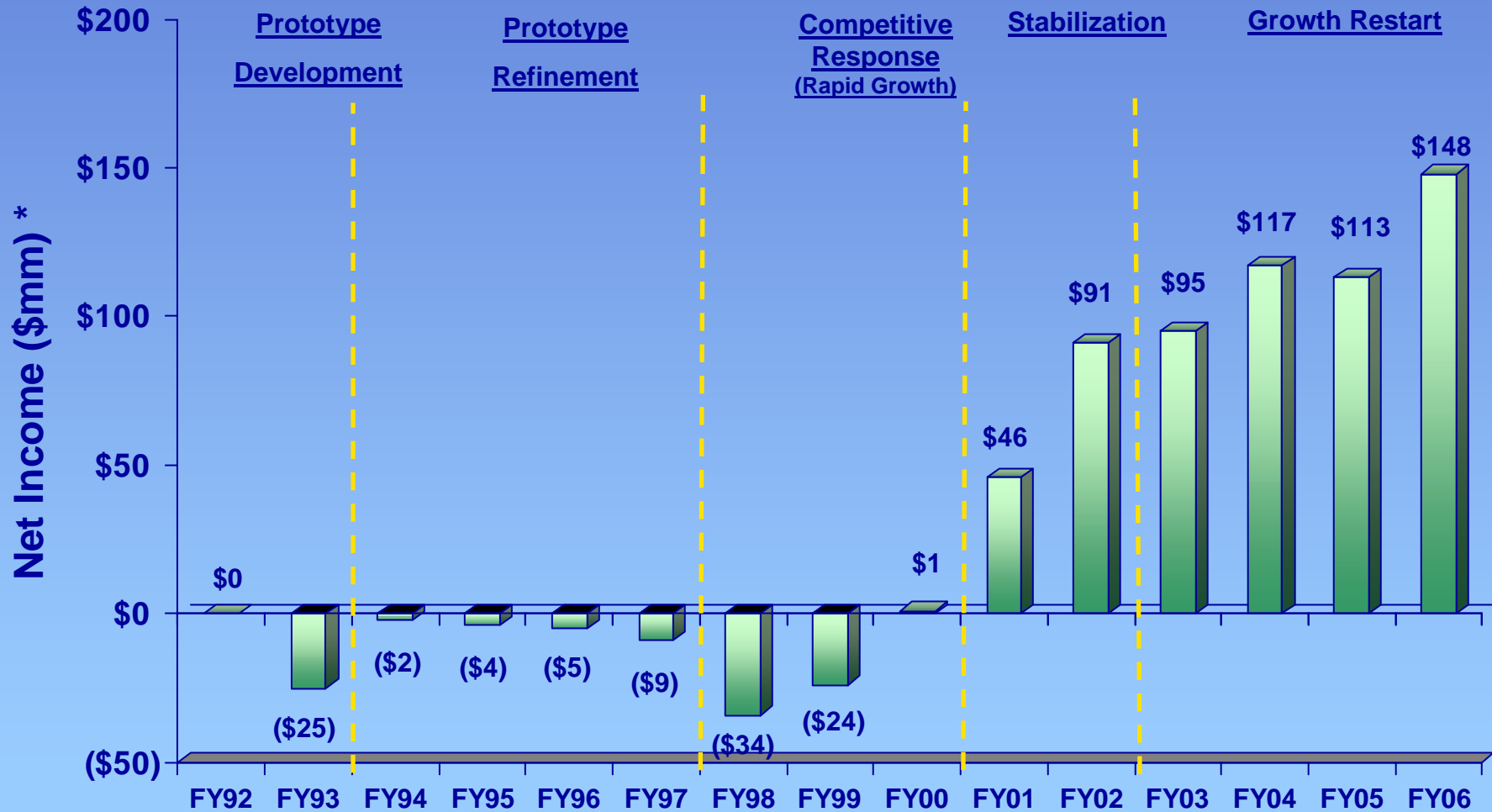
CarMax Today

Unit Growth Continued



CarMax Today

Profitability Established



* Excludes costs of separation from Circuit City



Results

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07e</u>
▪ Used unit comp growth	8%	6%	1%	4%	2-8%
▪ Total sales growth	12%	16%	14%	19%	
▪ Net earnings growth	5%	21%	(3)%	30%	
▪ EPS	\$0.91	\$1.10	\$1.07	\$1.39	\$1.45 - \$1.65
▪ EPS with stock compensation expense				\$1.27	\$1.25 - \$1.47

What Is CarMax?

- **Unique retail opportunity**
- **Provides superior economic returns**

CarMax Sells More Cars

Sales / Store (Units)

2005

▪ CarMax	5,040
▪ Public new car dealers	1,640
▪ Average new car dealer	1,325

Source: CarMax estimates and NADA 2005



CarMax Gains Market Share

Used Car Comp Unit Sales

	<u>2005</u>	<u>4-Year Average</u>
▪ CarMax	+4%	+5%
▪ Public new car dealers	0%	(4)%

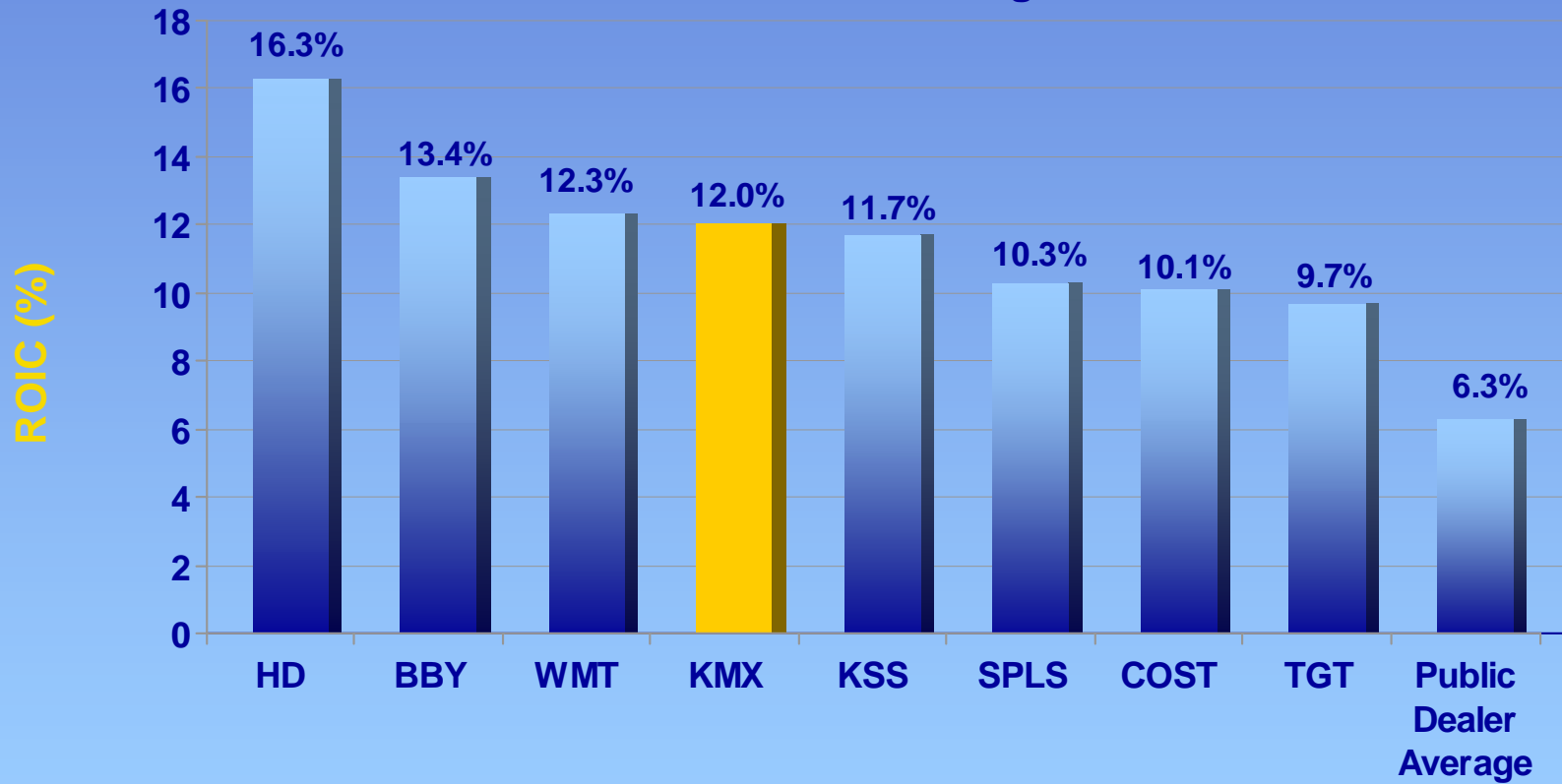
Source: Company reports and CarMax estimates



CarMax Earns Attractive Returns

ROIC ⁽¹⁾

5-Year Average



Source: Published reports and CarMax estimates.

(1) After-tax EBIT/average invested capital (2005). Invested capital includes operating leases capitalized at 8x.

(2) Public dealer average includes: ABG, AN, GPI, LAD, SAH, and UAG.



Why Does CarMax Work?

- Used car focus
- Consumer-preferred concept
- Process-driven competitive advantages
- Organic growth plan

Used Car Focus

Used Mix % (Units)

- | | |
|---------------------------|-----|
| ▪ CarMax | 93% |
| ▪ Public new car dealers | 35% |
| ▪ Average new car dealer* | 41% |

Source: Published auto retailer reports and NADA 2005

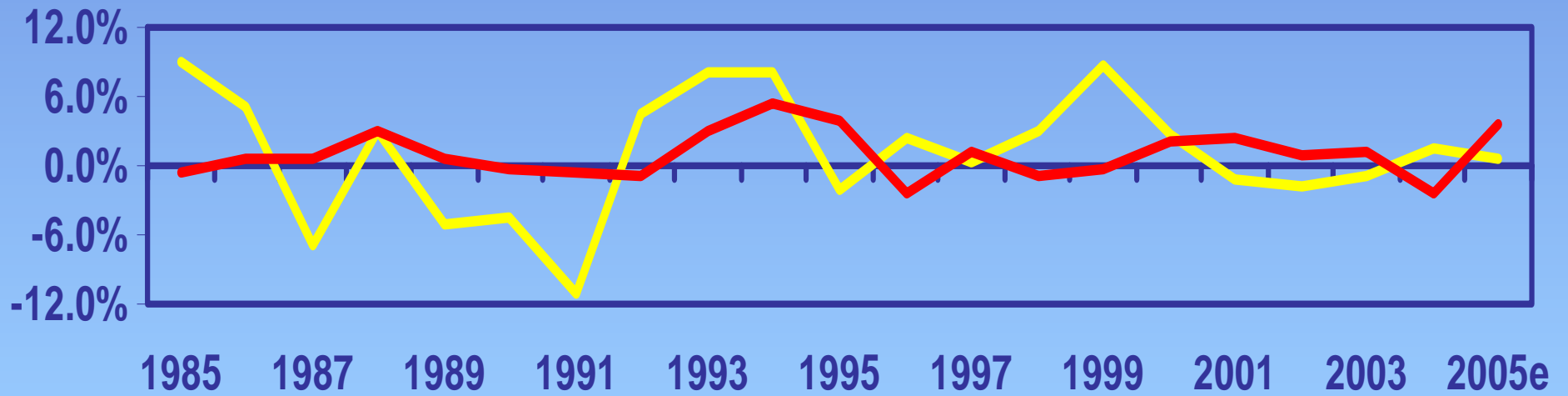


Why Used Cars?

- **Huge, fragmented business**
- **Non-commodity**
- **Stable**

Used Vehicle Sales Stable

— %Change New Vehicle Unit Sales
— %Change Used Vehicle Unit Sales



Source: Manheim Auctions



Consumer-Preferred Concept

- **Low, no-haggle prices**
- **Huge selection of late-model used cars**
- **Guaranteed quality**
- **Customer-friendly service**

Proprietary Operating Process



Fortune Magazine Recognition



- Two years running (2005, 2006)
- Only auto retailer or manufacturer on list



- Voted #1 in Automotive Retailing

Organic Growth

- **Creates value**
- **Not acquisition dependent**
- **Not 3rd-party constrained**

Opportunity Scale

- **Market:** \$280 Bn
- **Currently** \approx 30% of U.S.
- **Mature Stores** 8% - 10% market share

Growth Plan

(FY06 – FY10)

Sales Growth



- 5-year goal: \$10 - \$12 Bn
- Comp used unit growth: 4% - 8%
- New store openings 15% - 20%

Profit Growth

- New store openings
- Store margin expansion
- Corporate overhead leverage

FY07 Planned New Superstores



-  New Stores FY07
-  Car Buying Center Test





CARmax[®]
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