



Credit Acceptance Announces 1st Quarter Earnings

Southfield, Michigan – April 17, 2002 – Credit Acceptance Corporation (NASDAQ:CACC) Credit Acceptance Corporation (the “Company”) announced consolidated net income for the quarter ended March 31, 2002 was \$6,314,000 or \$0.15 per diluted share compared to \$6,589,000 or \$0.15 per diluted share for the same period in 2001. After adjustments related to stock options (see “Stock Options”) and excluding the impact of non-recurring adjustments, consolidated net income was \$9,115,000 or \$0.19 per adjusted share compared to \$6,401,000 or \$0.14 per adjusted share for the same period in 2001.

The results for the quarter ended March 31, 2002 include two non-recurring adjustments. The first relates to an amount booked to record additional taxes that will be owed upon repatriation of currently undistributed earnings in the Company’s United Kingdom business unit. An adjustment of \$3,713,000 was recorded to the provision for income taxes during the quarter of which \$149,000 relates to the current period. The remaining \$3,564,000 relates to earnings generated from inception of the United Kingdom business unit through December 31, 2001. Prior to this quarter, these undistributed earnings were classified as “permanently reinvested” and as a result no accrual of future United States tax liability was required. Based upon reduced capital requirements in the United Kingdom business unit, it is likely that some amount of capital will be repatriated within fiscal 2002. While it is likely the Company will continue to have a sizable investment in the United Kingdom in the future, given current circumstances, the Company does not expect future earnings to remain in the United Kingdom indefinitely. The second adjustment, of \$963,000 relates to a change in estimate for state income tax owed as a result of the re-characterization of income as a result of an Internal Revenue Service examination. The adjustment reverses a portion of the amount originally recorded in the fourth quarter of 2001 and favorably impacted the reported provision for income taxes by \$634,000 and operating expenses by \$329,000 in the current quarter.

The quarter also included a \$200,000 after-tax expense associated with performance-based stock options granted in 1999. See “Stock Options” for a more comprehensive discussion of this topic.

Economic Profit (Loss)

Economic profit (loss) represents operating profit after tax less the cost of capital. The Company’s economic loss improved to (\$954,000) or (\$0.02) per adjusted share for the quarter ended March 31, 2002 compared to (\$2,531,000) or (\$0.05) per adjusted share for the same period in 2001. In addition to adjusting for non-recurring items, the economic loss includes three adjustments relating to stock options. See the section on “Stock Options” for a complete discussion of this topic.

For a complete copy of the press release with all financial tables [click here](#).