

Group 1 Automotive, Inc.

Debt Covenant Summary

JPM Credit Facility

1 Senior Secured Adjusted Leverage Ratio must be < 3.75

ADJUSTED SENIOR SECURED DEBT (numerator)

- + Mortgage Facility and other real estate debt PLUS current
- + Capital leases
- + Acquisition Line
- + Rent Expense (Property and Equipment) x 8

= **ADJUSTED SENIOR SECURED DEBT**

ProForma EBITDA plus ProForma Rent (denominator)

- + Pre-Tax Income - trailing 12 months (T12)
- + Add back Total Interest Expense (including FP) - T12
- + Add back Depreciation & Amortization - T12
- + Add back Asset Impairments - T12
- + Add Back Gain/Loss on Debt Buybacks or Capital Asset Disposals
- + Add back Other non-cash charges (including asset impairments and stock-based compensation) - T12
- = CONSOLIDATED EBITDA
- take out Floorplan Interest Expense - T12

= **CONSOLIDATED adjusted EBITDA (excludes FP Interest Exp)**

- + Add Proforma EBITDA (excluding FP Interest)
- + Proforma Rent Expense (Property and Equipment)

= **CONSOLIDATED PROFORMA EBITDA plus Proforma Rent**

2 Total Adjusted Leverage Ratio* must be < 5.50

TOTAL DEBT (numerator)

- + Mortgage Facility and other real estate debt PLUS current
- + Acquisition Line
- + Notes Payable (Capital lease obligations)
- + 2.25 Convert (Face value)
- + 3.00 Convert (Face value)
- + Rent Expense (Property and Equipment) x 8
- + Retail loan guarantees
- + Guarantees of Foreign Subsidiaries Debt in excess of \$50 million

= **ADJUSTED TOTAL DEBT (ex Floorplan)**

ProForma EBITDA plus ProForma Rent (denominator)

- + Pre-Tax Income - trailing 12 months (T12)
- + Add back Total Interest Expense (including FP) - T12
- + Add back Depreciation & Amortization - T12
- + Add back Asset Impairments - T12
- + Add Back Gain/Loss on Debt Buybacks or Capital Asset Disposals
- + Add back Other non-cash charges (including asset impairments and stock-based compensation) - T12
- = CONSOLIDATED EBITDA
- take out Floorplan Interest Expense - T12

= **CONSOLIDATED adjusted EBITDA (excludes FP Interest Exp)**

- + Add Proforma EBITDA (excluding FP Interest)
- + Proforma Rent Expense (Property and Equipment)

= **CONSOLIDATED adjusted PROFORMA EBITDA plus Proforma Rent**

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Debt Covenant Summary

3 Fixed Charge Coverage Ratio must be > 1.35

EARNINGS available for FIXED CHARGES (numerator)

= CONSOLIDATED adjusted EBITDA excludes FP Int Exp (see #2 or #3 ratios)

+ **PLUS Lease Expense - T12**

- LESS Cash Paid for Taxes - T12

= **TOTAL EARNINGS available for FIXED CHARGES**

FIXED CHARGES (denominator)

+ Total Interest Expense (excluding FP) - T12

- LESS Non-cash interest

+ **PLUS Lease Expense - T12**

+ PLUS Required Principle Payments - T12

+ PLUS Cash paid for Dividends - T12

+ PLUS Maintenance CapEx (*calc \$175k per dealership per year*) - T12

= **TOTAL FIXED CHARGES**

4 Current Ratio - No Requirement

5 Restricted Payment Basket

\$100,000,000

+ 50% of Consolidated Net Income since Dec 31, 2010

+ 50% of Asset Impairments since Dec 31, 2010

+ 50% of Gain/Loss on Debt Buybacks or Capital Asset Disposals since Dec 31, 2010

+ 50% of Other non-cash charges (including asset impairments and stock-based compensation) since Dec 31, 2010

+ PLUS 100% of Net Proceeds from Issuance of Equity since Dec 31, 2010

- Cumulative Cash Dividends since Dec 31, 2010

+ Cumulative Stock Repurchases since Dec 31, 2010

EXCESS REMAINING FOR RESTRICTED PAYMENTS

NOTE:

All ratios exclude the UK and discontinued operations and APB 14-1

All EBITDA and Fixed Charge items are trailing twelve months