

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in thousands)

NET INCOME (LOSS) RECONCILIATION:

	QTD				YTD	QTD				YTD	QTD			YTD
	3/31/2009	6/30/2009	9/30/2009	12/31/2009	12/31/2009 ⁽²⁾	3/31/2010	6/30/2010	9/30/2010	12/31/2010	12/31/2010 ⁽²⁾	3/31/2011	6/30/2011	9/30/2011	9/30/2011 ⁽²⁾
Net Income	8,375	10,082	18,340	(1,952)	34,845	7,981	12,769	18,985	10,569	50,304	15,362	24,683	\$ 21,494	61,539
After-tax Adjustments:														
Non-cash asset impairment charges	-	1,265	461	11,557	13,283	-	950	1,033	4,947	6,930	140	85	2,309	2,534
Mortgage debt refinance charges	-	331	-	-	331	-	-	-	-	-	-	-	-	-
(Gain) loss on dealership dispositions	549	(902)	-	651	200	-	3,698	-	-	3,698	-	-	-	-
(Gain) loss on debt redemption	(4,217)	(475)	(393)	-	(5,299)	2,458	-	-	-	2,458	-	-	-	-
Gain on sale of real estate	-	-	-	-	-	-	-	(761)	-	(761)	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	(1,604)	-	(1,604)	-	-	-	(810)	(810)	-	-	-	-
Severance costs related to UK-dealership acquisitions	-	-	-	-	-	-	405	-	-	405	-	-	-	-
Adjusted net income ⁽¹⁾	4,707	10,301	16,804	10,256	41,756	10,439	17,822	19,257	14,706	62,224	15,502	24,768	\$ 23,803	64,073

NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHARES RECONCILIATION:

	QTD				YTD	QTD				YTD	QTD			YTD
	3/31/2009	6/30/2009	9/30/2009	12/31/2009	12/31/2009 ⁽²⁾	3/31/2010	6/30/2010	9/30/2010	12/31/2010	12/31/2010 ⁽²⁾	3/31/2011	6/30/2011	9/30/2011	9/30/2011 ⁽²⁾
Net Income	\$ 8,375	\$ 10,082	\$ 18,340	\$ (1,952)	\$ 34,845	\$ 7,981	\$ 12,769	\$ 18,985	\$ 10,569	\$ 50,304	\$ 15,362	\$ 24,683	\$ 21,494	\$ 61,539
Less: Earnings allocated to participating securities	450	524	954	-	2,016	456	717	1,186	562	2,673	911	1,420	1,256	3,550
Net income available to common shares	\$ 7,925	\$ 9,558	\$ 17,386	\$ (1,952)	\$ 32,829	\$ 7,525	\$ 12,052	\$ 17,799	\$ 10,007	\$ 47,631	\$ 14,451	\$ 23,263	\$ 20,238	\$ 57,989
After-tax Adjustments:														
Non-cash asset impairment charges	-	1,199	437	11,006	12,514	-	897	968	4,689	6,560	131	80	2,173	2,387
Mortgage debt refinance charges	-	314	-	-	312	-	-	-	-	-	-	-	-	-
(Gain) loss on dealership disposition:	519	(855)	-	613	188	-	3,490	-	-	3,500	-	-	-	-
(Gain) loss on debt redemption	(3,990)	(450)	(372)	-	(4,992)	2,317	-	-	-	2,327	-	-	-	-
Gain on sale of real estate	-	-	-	-	-	-	-	(713)	-	(720)	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	(1,521)	-	(1,511)	-	-	-	(756)	(766)	-	-	-	-
Severance costs related to UK-dealership acquisitions:	-	-	-	-	-	-	382	-	-	383	-	-	-	-
Adjusted net income available to common shares ⁽¹⁾	\$ 4,454	\$ 9,766	\$ 15,930	\$ 9,667	\$ 39,340	\$ 9,842	\$ 16,821	\$ 18,054	\$ 13,940	\$ 58,915	\$ 14,582	\$ 23,343	\$ 22,411	\$ 60,376

DILUTED EARNINGS (LOSS) PER COMMON SHARE RECONCILIATION:

	QTD				YTD	QTD				YTD	QTD			YTD
	3/31/2009	6/30/2009	9/30/2009	12/31/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	9/30/2011
Diluted income per common share	\$ 0.35	\$ 0.42	\$ 0.76	\$ (0.08)	\$ 1.43	\$ 0.32	\$ 0.52	\$ 0.79	\$ 0.45	\$ 2.09	\$ 0.64	\$ 1.03	\$ 0.91	\$ 2.57
After-tax Adjustments:														
Non-cash asset impairment charges:	-	0.06	0.02	0.47	0.55	-	0.04	0.04	0.21	0.29	-	-	0.10	0.11
Mortgage debt refinance charges	-	0.01	-	-	0.01	-	-	-	-	-	-	-	-	-
(Gain) loss on dealership disposition:	0.02	(0.04)	-	0.03	0.01	-	0.15	-	-	0.15	-	-	-	-
(Gain) loss on debt redemption	(0.17)	(0.02)	(0.02)	-	(0.22)	0.11	-	-	-	0.10	-	-	-	-
Gain on sale of real estate	-	-	-	-	-	-	-	(0.03)	-	(0.03)	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	(0.07)	-	(0.06)	-	-	-	(0.04)	(0.03)	-	-	-	-
Severance costs related to UK-dealership acquisitions:	-	-	-	-	-	-	0.02	-	-	0.02	-	-	-	-
Adjusted diluted income per common share ⁽¹⁾	\$ 0.20	\$ 0.43	\$ 0.69	\$ 0.42	\$ 1.72	\$ 0.43	\$ 0.73	\$ 0.80	\$ 0.62	\$ 2.59	\$ 0.64	\$ 1.03	\$ 1.01	\$ 2.68
Weighted average dilutive common shares outstanding	22,712	22,851	22,984	23,073	22,906	23,156	23,108	22,433	22,467	22,788	22,736	22,651	22,219	22,533
Participating Securities	1,289	1,254	1,261	1,407	1,407	1,405	1,374	1,495	1,284	1,284	1,450	1,393	1,392	1,392
Total weighted average shares outstanding	24,001	24,105	24,245	24,480	24,313	24,561	24,482	23,928	23,751	24,072	24,186	24,044	23,611	23,925

(1) We believe that these adjusted financial measures are relevant and useful to investors because they provide additional information regarding the performance of our operations and improve period-to-period comparability. These measures are not measures of financial performance under GAAP. Accordingly, they should not be considered as substitutes for their unadjusted counterparts, which are prepared in accordance with GAAP. Although we find these non-GAAP results useful in evaluating the performance of our business, our reliance on these measures is limited because the adjustments often have a material impact on our financial statements calculated in accordance with GAAP. Therefore, we typically use these adjusted numbers in conjunction with our GAAP results to address these limitations.

(2) The sum of the quarterly income, income adjustments and income per share amounts may not equal the annual amount reported, as amounts are computed independently for each quarter and for the full year based on the respective weighting of average shares outstanding and participating securities.

GROUP 1 AUTOMOTIVE INC

Impact of Two-Class Method

Three-months ended September 30, 2011

(in thousands, except per share data)

	As Previously Reported	As Corrected		Total
		Allocated to Common Shareholders	Allocated to Participating Securities	
Net Income	\$ 21,494	\$ 20,238 (1a)	\$ 1,256 (1b)	\$ 21,494
Diluted Shares Outstanding	22,778	22,219 (2)	1,392	
Diluted EPS	<u>\$ 0.94</u>	<u>\$ 0.91</u>	<u>\$ 0.91</u>	

(1) Proportionate weighting of dilutive shares and unvested restricted shares outstanding:

Diluted Shares Outstanding	22,219	94.1% (a)
Unvested Restricted Stock	1,392	5.9% (b)
Total	<u>23,611</u>	<u>100.00%</u>

(2) Dilutive impact of restricted stock on Previously Reported Diluted Share Count

Previously Reported Diluted Share Count	22,778
Dilutive impact of Restricted Stock	<u>(559)</u>
Corrected Diluted Share Count	<u>22,219</u>