



‘VALUE DRIVEN’

2015 First Quarter Financial Results & Overview

April 28, 2015

Copyright © 2014 Group 1 Automotive, Inc. All rights reserved.



This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are statements related to future, not past, events and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. In this context, the forward-looking statements often include statements regarding our goals, plans, projections and guidance regarding our financial position, results of operations, market position, pending and potential future acquisitions and business strategy, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," "foresee," "may" or "will" and similar expressions. Any such forward-looking statements are not assurances of future performance and involve risks and uncertainties that may cause actual results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, (a) general economic and business conditions, (b) the level of manufacturer incentives, (c) the future regulatory environment, (d) our ability to obtain an inventory of desirable new and used vehicles, (e) our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions, (f) our cost of financing and the availability of credit for consumers, (g) our ability to complete acquisitions and dispositions and the risks associated therewith, (h) foreign exchange controls and currency fluctuations, and (i) our ability to retain key personnel. For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.



GROUP **1** AUTOMOTIVE



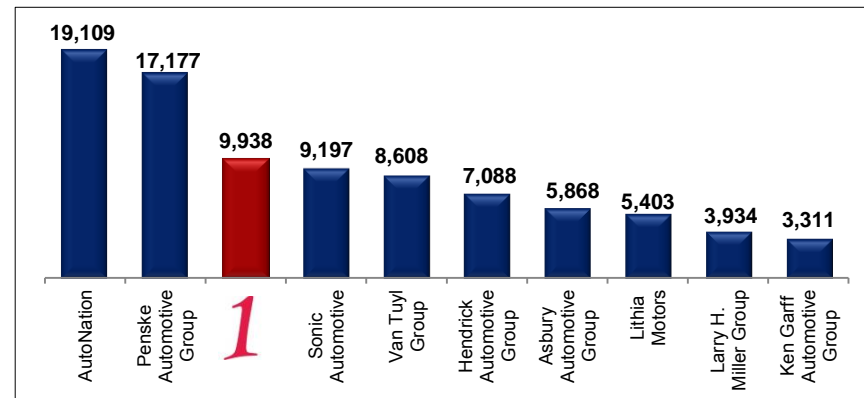
Company Overview



What Sets Group 1 Apart?

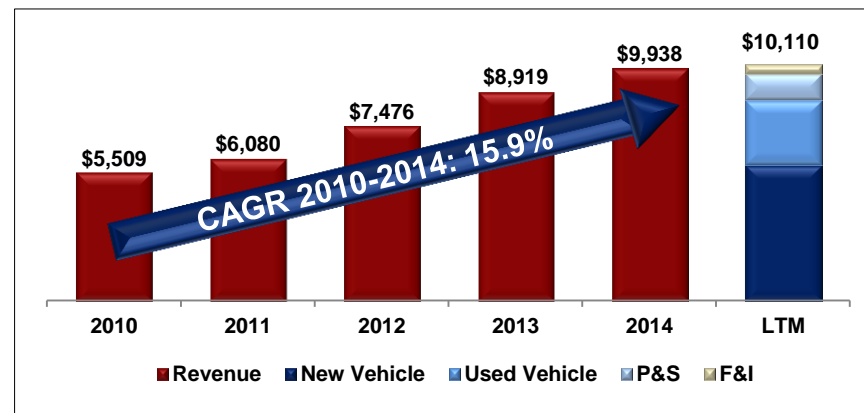
- International, Fortune 500 company with Market Cap of \$2.1 Billion (period ended December 31, 2014)
- Third largest dealership group in the U.S. retailing approximately 275,000 new and used vehicles annually
- Committed management team with more than 100 years of automotive retailing and OEM experience
- Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner
- Well positioned for growth
- 5 consecutive years of double-digit revenue growth

Top 10 U.S. auto retailers by revenue (\$mm, FY 2014)



Source: Automotive News

Revenue (\$mm)

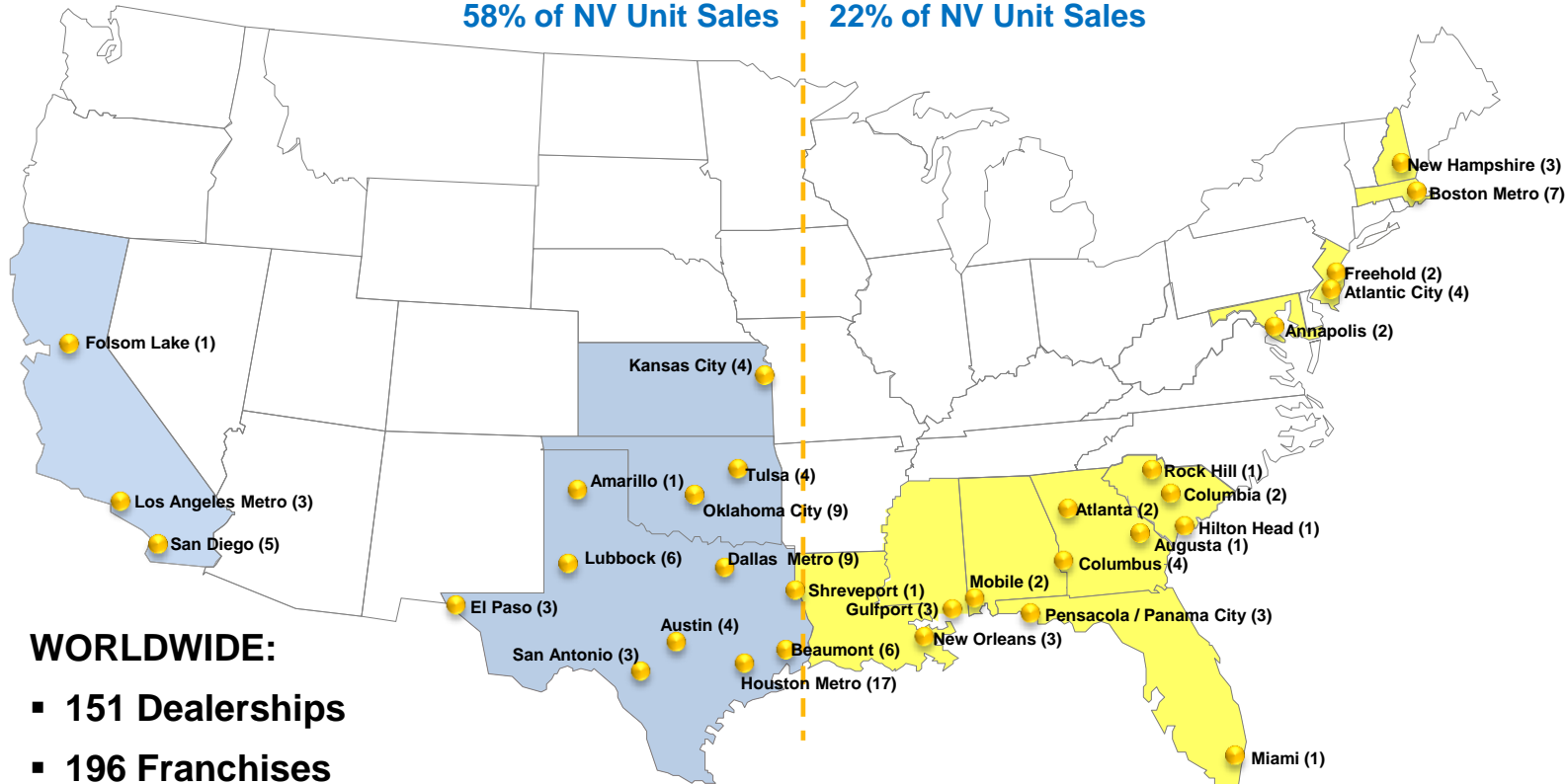


UNITED STATES – 14 States

117 Dealerships

WEST REGION
58% of NV Unit Sales

EAST REGION
22% of NV Unit Sales



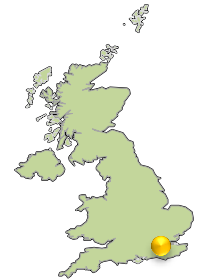
WORLDWIDE:

- 151 Dealerships
- 196 Franchises
- 38 Collision Centers
- 32 Brands

U.K.

England:

- 17 Dealerships
- 12% of NV Unit Sales



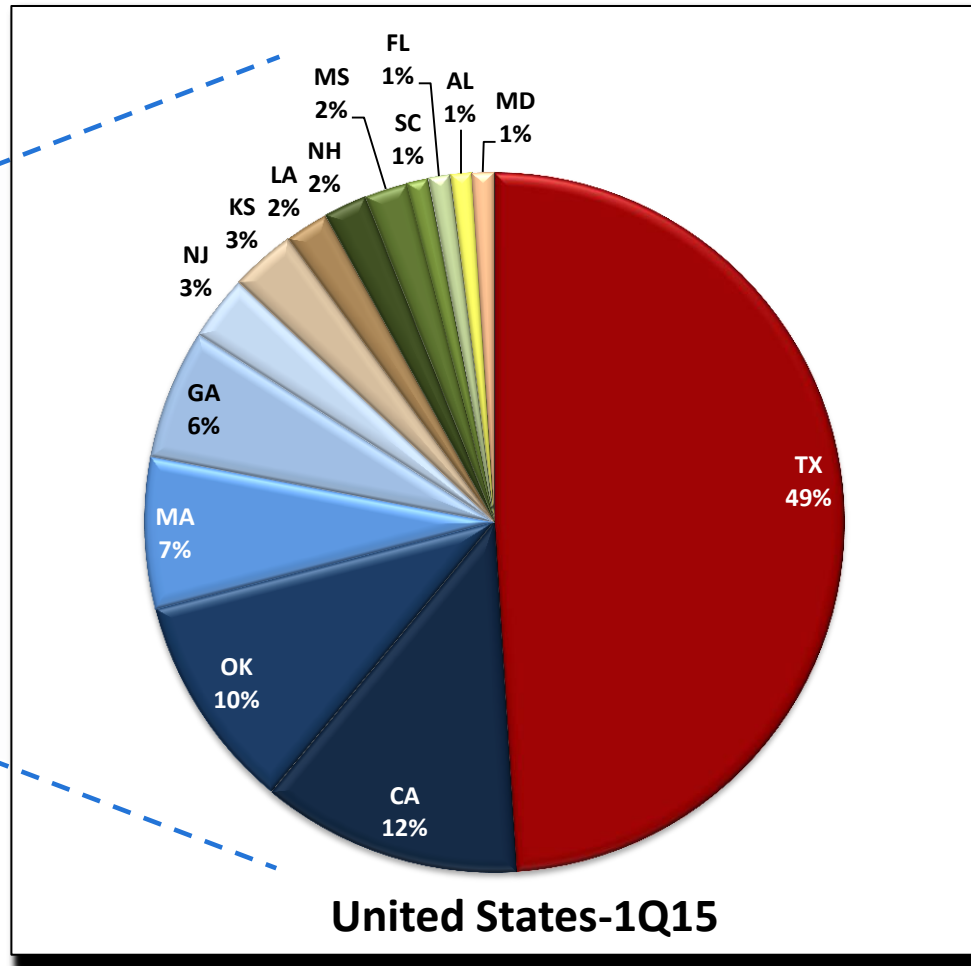
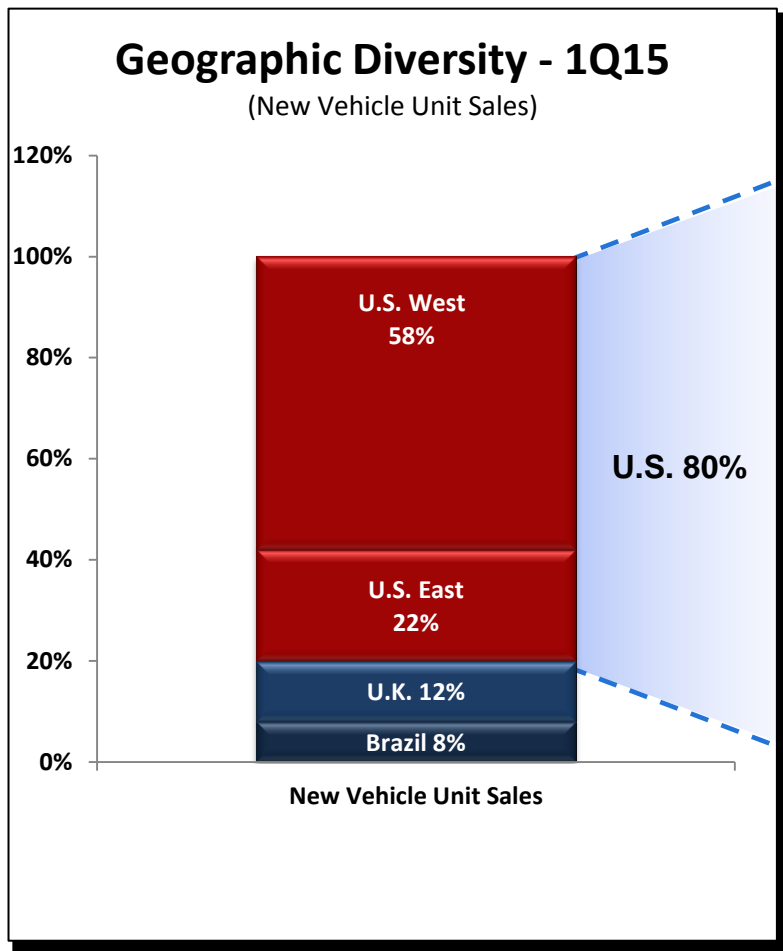
BRAZIL

Mato Grosso do Sul, Sao Paulo & Parana:

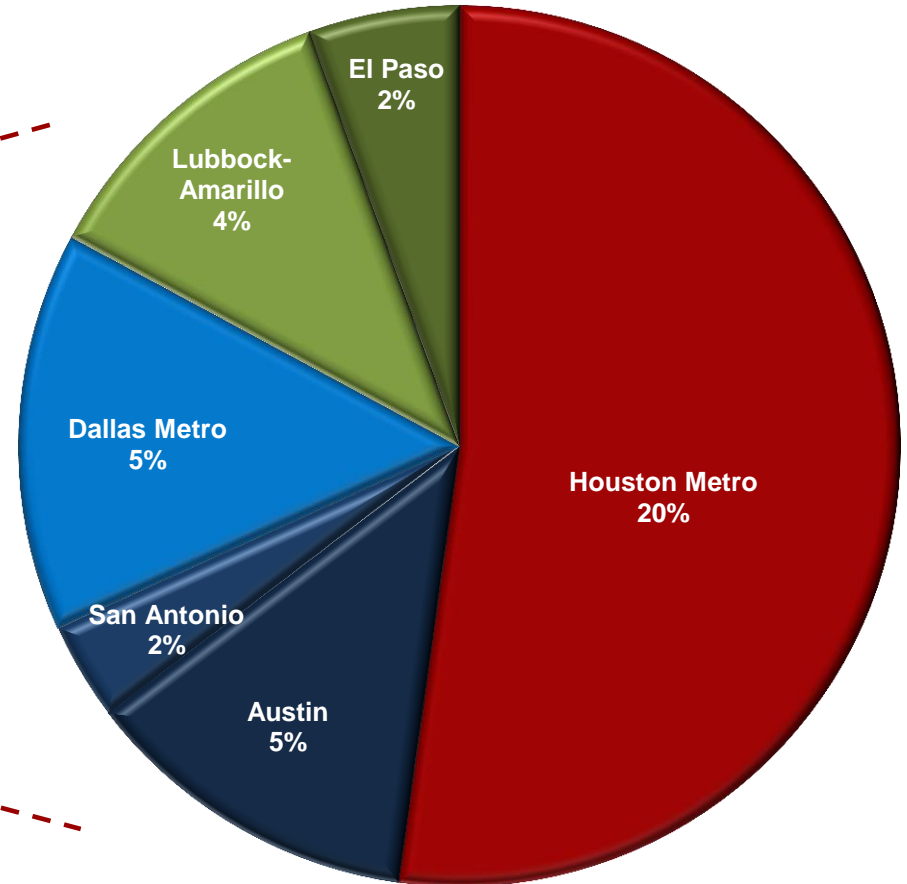
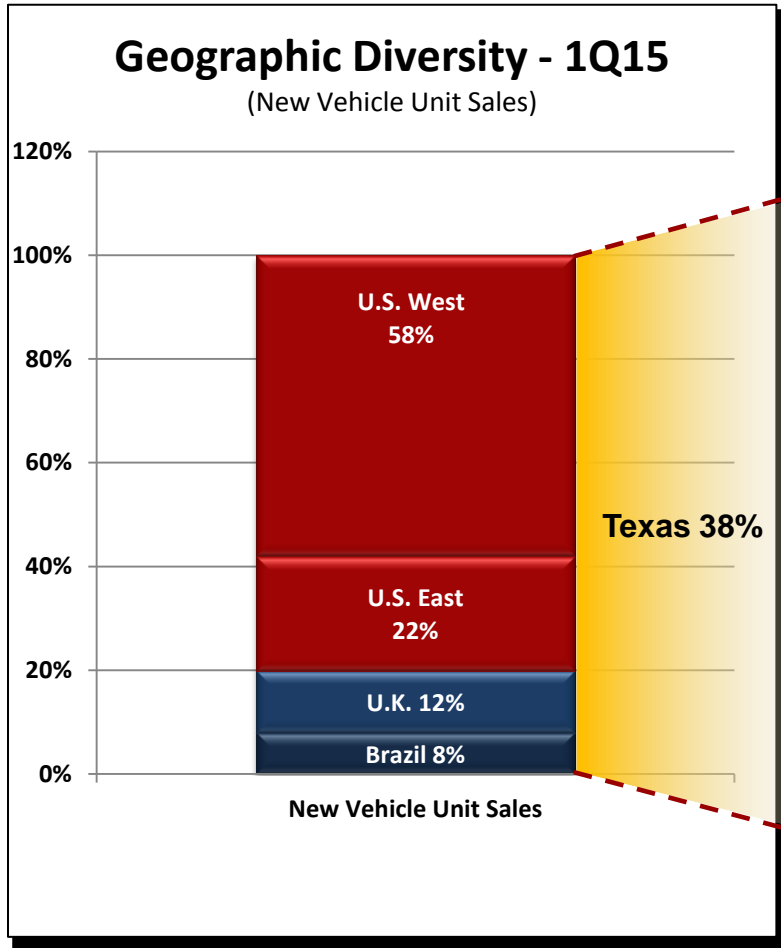
- 17 Dealerships
- 8% of NV Unit Sales



Note: Locations as of April 28, 2015



Geographic Diversity – Texas



- “Health-care and social-services companies made up 10.4% of jobs in the greater Houston area in 2013, compared with 5.9% in 1985, according to Labor Department data.”¹
- “Roughly 4.3% of jobs in the county were in the oil-and-gas industry last year.”¹
- “Even with the energy-related losses, Houston will likely net +45,000 jobs in 2015, a year-over-year growth rate of about +1.5%. As long as the U.S. economy continues to plug along, we (Houston) will get nice growth in non-energy sectors.”²

¹Wall Street Journal, Plunging Oil Prices Test Texas' Economic Boom, January 4, 2015

²Houston Chronicle, Energy-Related Losses Eat Into Local Job Figures, May 22, 2015

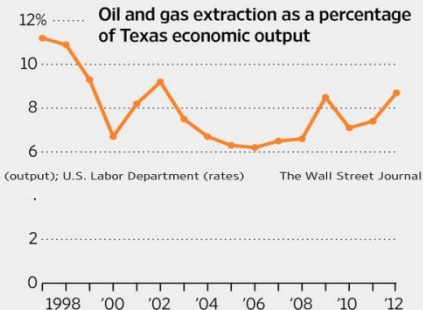
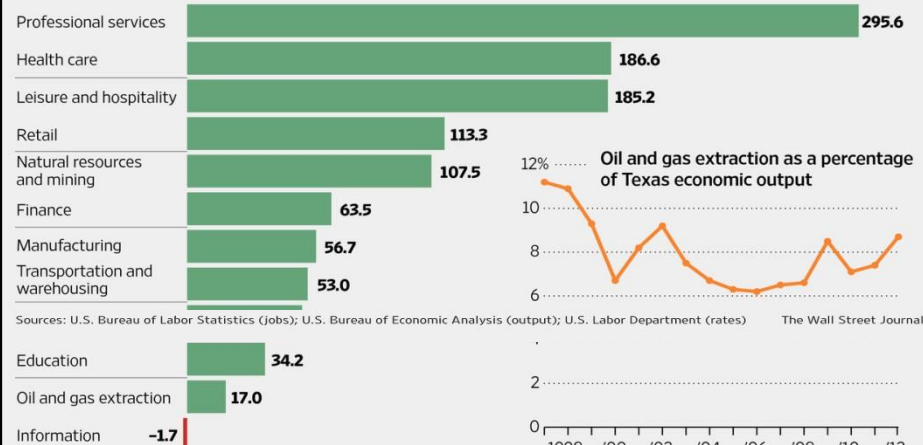
³Bloomberg, Crude Oil (WTI), as of 2:17pm ET 05.29.15

Texas: Diversified Economy

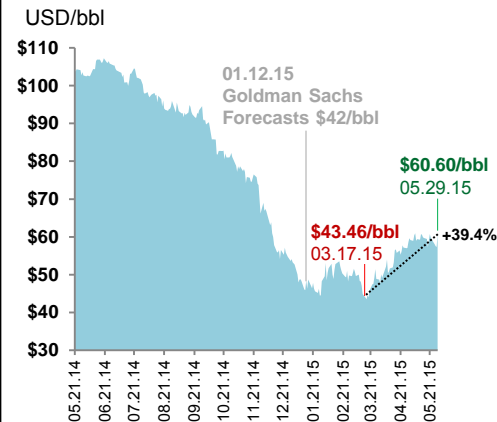
Texas Lowdown¹

Energy isn't the only sector creating jobs or economic output in Texas.

Job growth in Texas by sector, 2009-13, in thousands



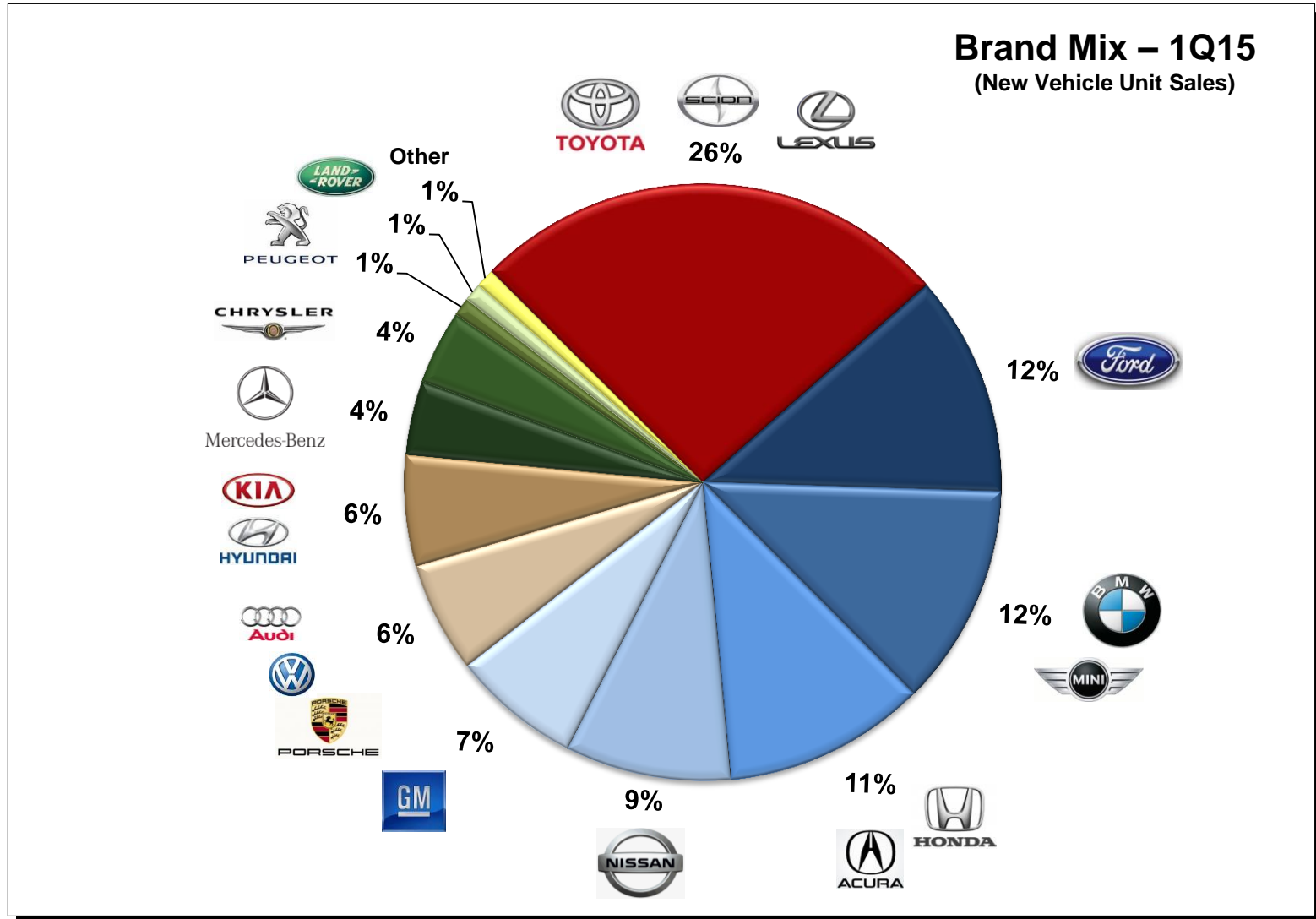
Crude Oil (WTI)³



- Crude oil has risen +39.4% to enter \$60's/bbl in May 2015.

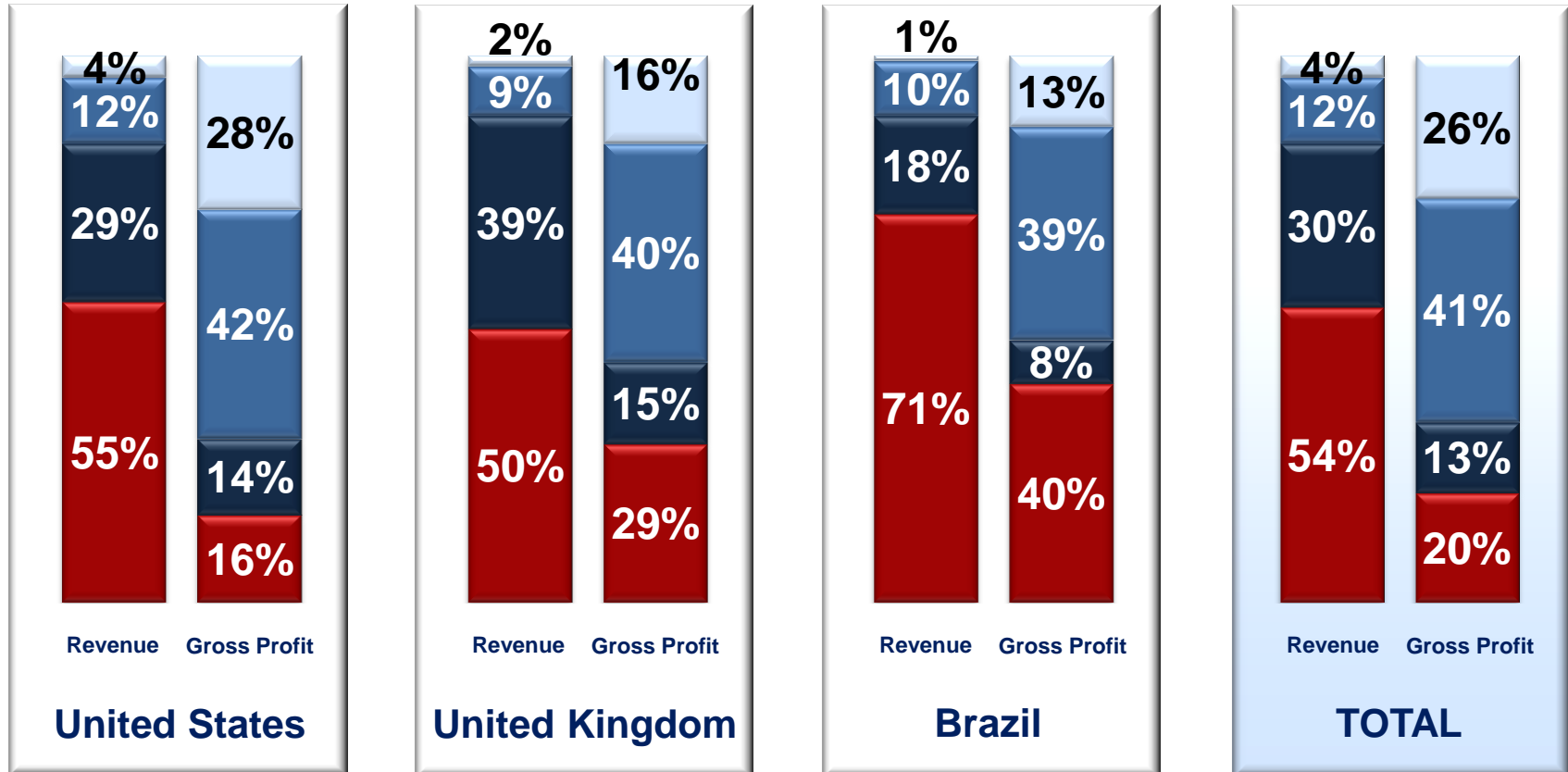
Well-Balanced Brand Portfolio

The Company's brand diversity allows it to reduce the risk of changing consumer preferences



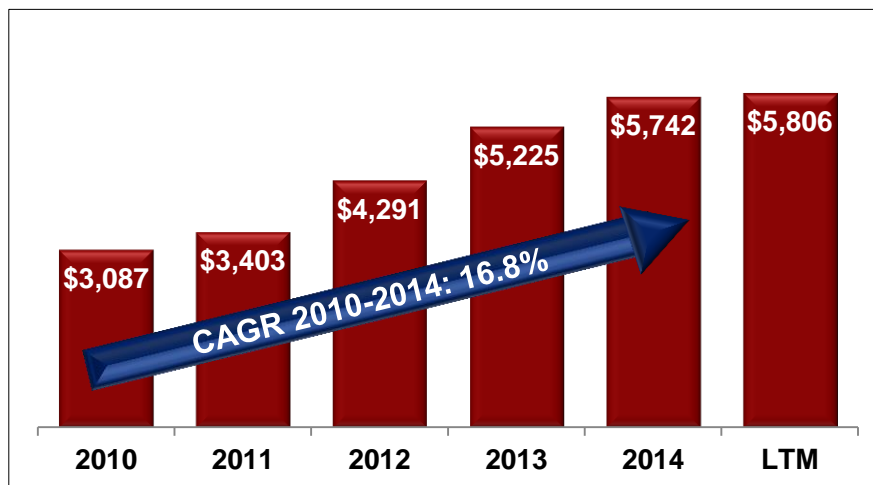
1Q15 Revenue & Gross Profit

■ New Vehicles ■ Used Vehicles ■ Parts & Service ■ Finance & Insurance

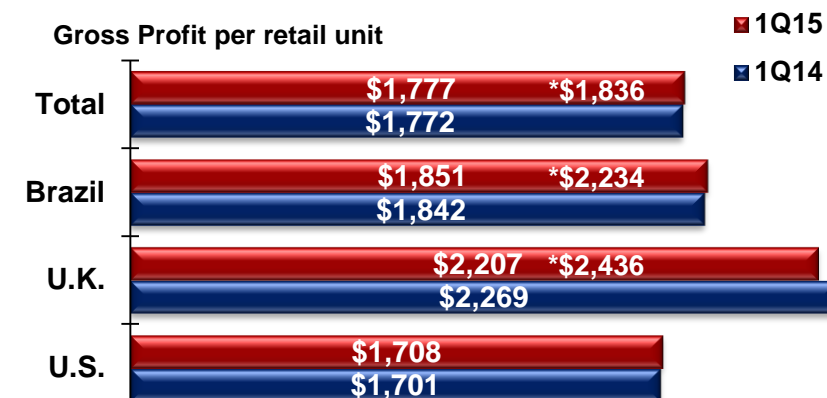


Total Company Parts & Service Gross Profit Covers 90% to 95% of Total Company Fixed Costs and Parts & Service Selling Expenses

New vehicle revenue (\$mm)



New vehicle gross profit

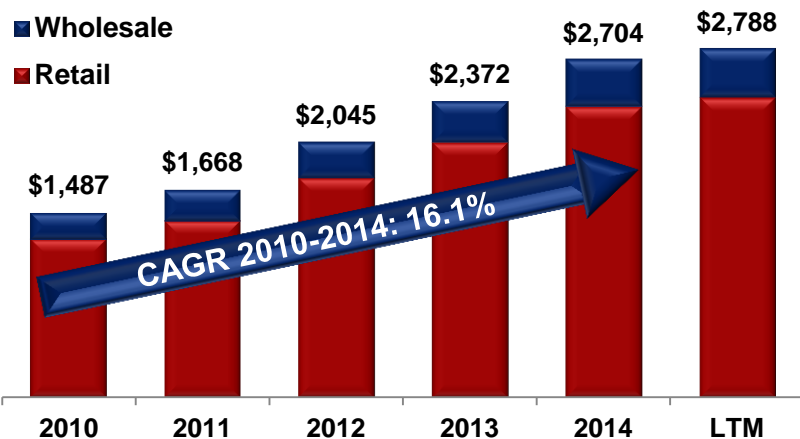


*Constant Exchange Rate for 1Q15

	For the year ended December 31,					LTM
	2010	2011	2012	2013	2014	3/31/2015
Revenue	\$3,087	\$3,403	\$4,291	\$5,225	\$5,742	\$5,806
Gross profit	\$178	\$210	\$247	\$290	\$311	\$314
New vehicles (units)	97,511	102,022	128,550	155,866	166,896	168,386
Average price per retail unit	\$31,656	\$33,352	\$33,381	\$33,522	\$34,402	\$34,477
Average gross profit per retail unit	\$1,823	\$2,062	\$1,925	\$1,860	\$1,865	\$1,865
Same store sales revenue growth	18.7%	6.4%	16.3%	6.0%	4.3%	1.9% ¹

¹ Same store sales growth is for YTD 2015 only

Used vehicle revenue (\$mm)



Retail used vehicle gross profit per retail unit

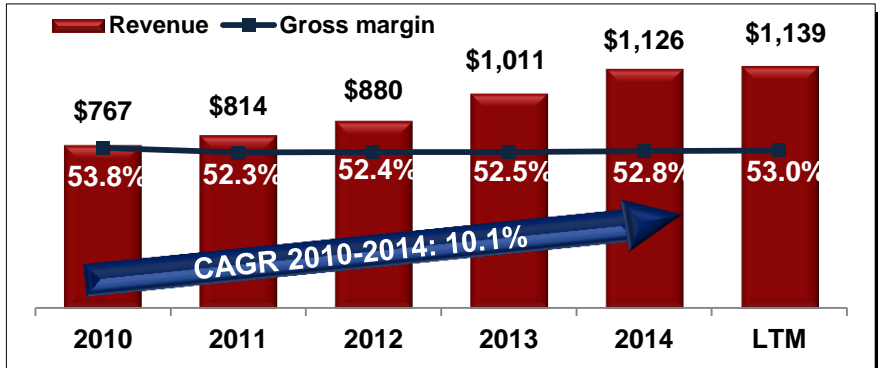


*Constant Exchange Rate for 1Q15

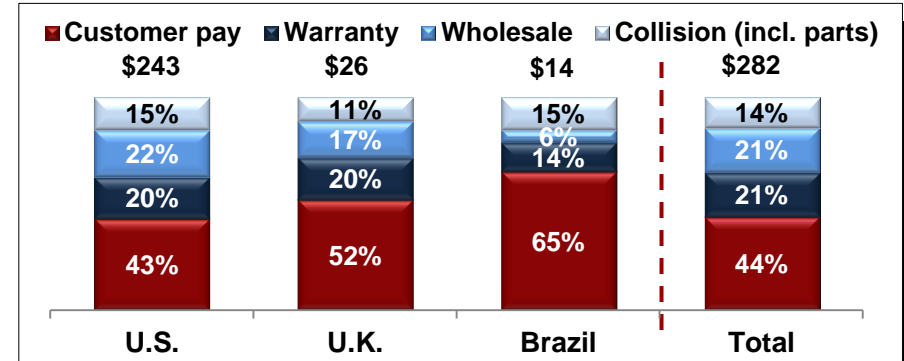
	For the year ended December 31,					LTM
	2010	2011	2012	2013	2014	3/31/2015
Retail used vehicles (units)	66,001	70,475	85,366	98,813	109,873	112,979
Average price per used retail vehicle	\$19,258	\$20,100	\$20,581	\$20,639	\$21,160	\$21,227
Average gross profit per used retail vehicle	\$1,742	\$1,767	\$1,710	\$1,628	\$1,579	\$1,565
Average gross profit per used wholesale vehicle	\$80	\$113	\$56	(\$4)	\$42	\$34
Used vehicle gross profit (\$mm)	\$118	\$129	\$149	\$161	\$174	\$179
Retail same store revenue growth	27.4%	7.9%	14.8%	6.0%	14.0%	6.5% ¹

¹ Same store sales growth is for YTD 2015 only

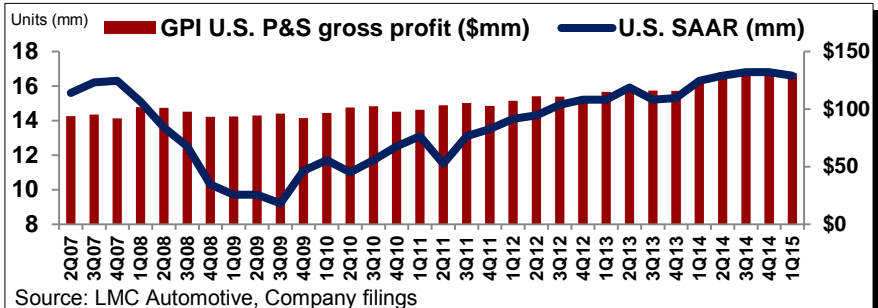
P&S revenue and gross margin (\$mm)



1Q15 P&S revenue (\$mm)



Group 1 U.S. parts and service gross profit vs. U.S. SAAR



Growth by Same Store (as reported)

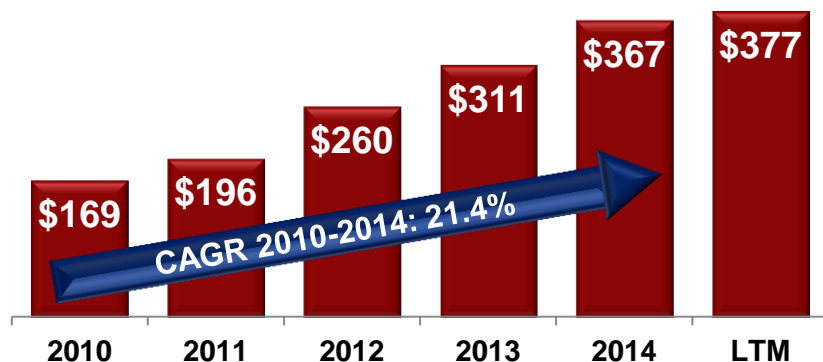
	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	FX 1Q15**
Customer Pay	5.7%	2.0%	0.5%	0.9%	0.6%	-2.1%	0.3%
Warranty	13.7%	5.2%	7.6%	20.7%	10.3%	14.4%	16.1%
Wholesale	4.1%	14.0%	16.6%	14.0%	10.3%	2.1%	3.1%
Collision (incl. parts)	10.8%	11.6%	5.2%	3.7%	12.2%	9.4%	11.1%
% Growth*	7.5%	6.3%	5.6%	7.4%	6.0%	3.4%	5.2%

*Same store, as reported

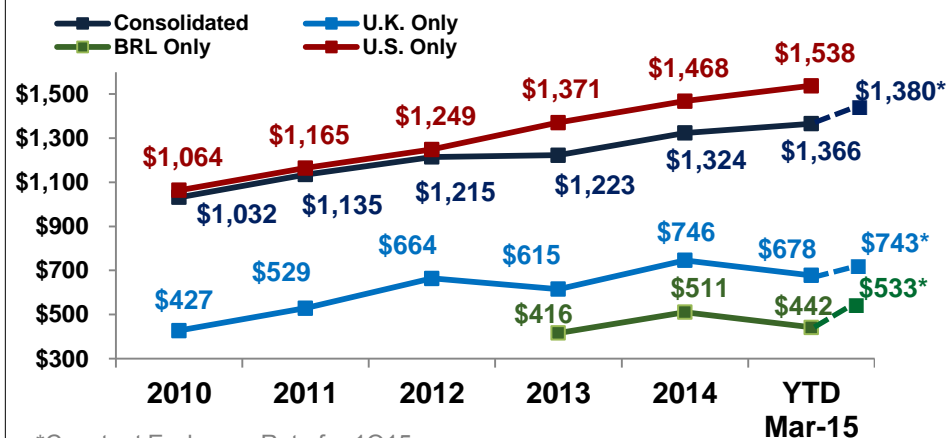
**Constant Exchange Rate for 1Q15

- Parts & service segment provides a stable base of free cash flow through economic cycles
- Using Customer Management Software (CMS) and technology to improve efficiencies and closing rates
- Enhancing customer touch points to improve retention / attacking points of defection
- Leveraging scale
- Improving collision business
- Strategic emphasis on customer service is driving growth above sector average in this important segment

F&I revenue (\$mm)



F&I gross profit per retail unit (\$)



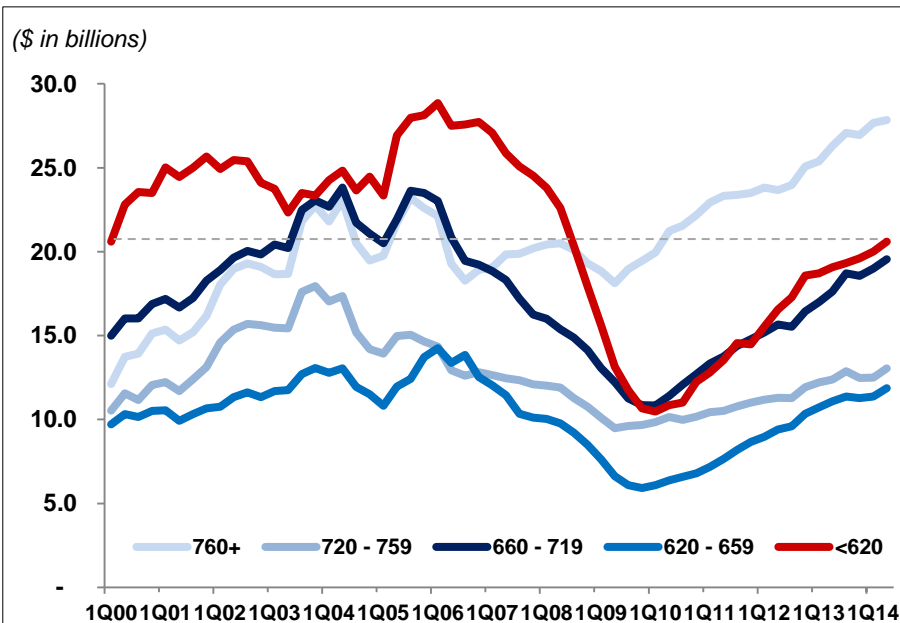
F&I profitability growth accomplished via focus on people and processes:

- Consolidation of lender base
- Consumer financing at pre-recession availability and with sub-prime financing improving
- Integrating compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers
- Proactively addressed CFPB concerns with rollout of NADA's Fair Credit Compliance Policy & Program in 2Q14, which enhances automotive lending practices

F&I Penetration Rates (Actual)

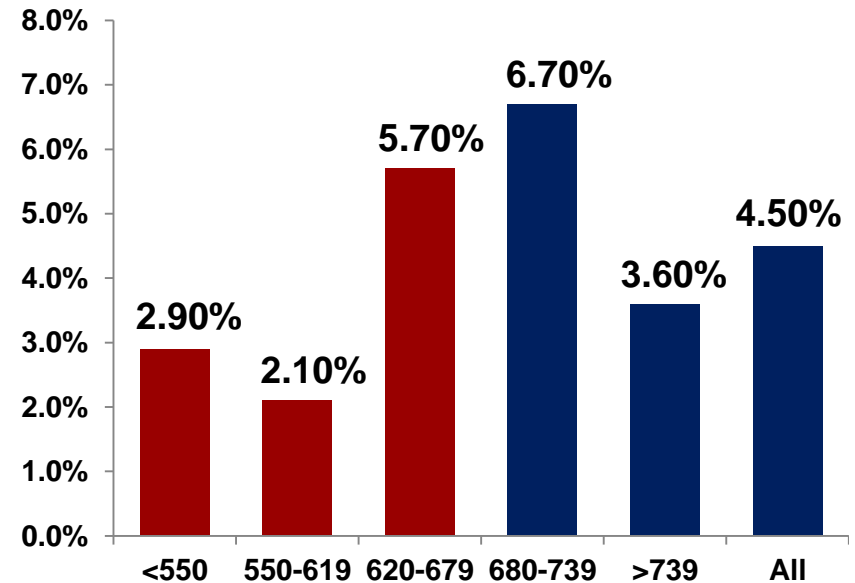
	FY2011	FY2012	FY2013	FY2014	2015 YTD			
					Consol.	US	UK	Brazil
Finance	70%	71%	69%	67%	66%	72%	44%	32%
VSC	36%	37%	34%	34%	35%	42%	5%	2%
Gap Ins.	22%	22%	22%	24%	27%	28%	29%	0%
Maintenance	8%	8%	8%	9%	9%	10%	0%	0%
Sealant	12%	14%	15%	18%	19%	19%	31%	0%
Gross Profit PRU	\$ 1,135	\$ 1,215	\$ 1,223	\$ 1,324	\$ 1,366	\$ 1,538	\$ 678	\$ 442

Auto Loan Originations by Credit Score



Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax.

Percent Increase in Auto Originations in 2014 Relative to 2013 by Equifax Risk Credit Score Range

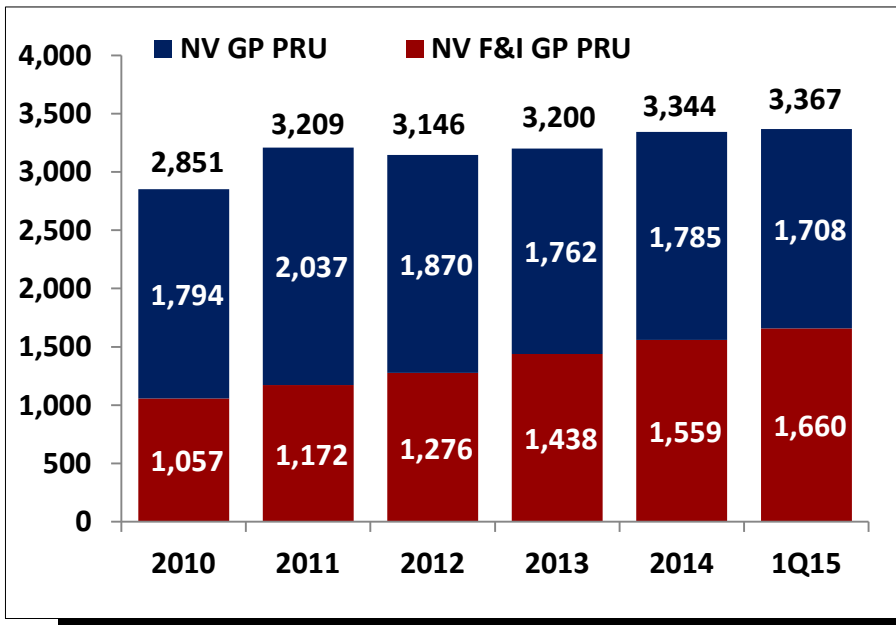


Source: Equifax Inc. Data as of January 2015. Data reflect tradelines opened and reported through December of the origination year.

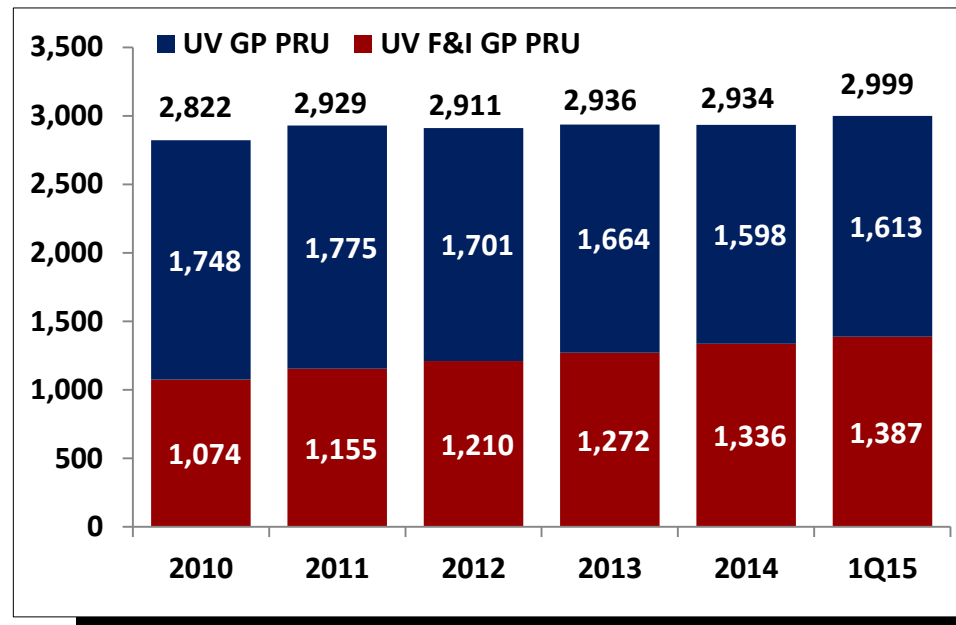
- “Subprime or deep subprime loans made up 19.7% of the market in the first quarter (1Q15), the lowest percentage since 2012.” – Experian Automotive

Total U.S. Vehicle Profitability

U.S. New Vehicle Profitability (\$)



U.S. Used Vehicle Profitability (\$)



GROUP **1** AUTOMOTIVE



Financial Overview



Financial Results - Consolidated
(\$ in millions, except per share amounts)

	1Q15	1Q14	Change	Constant FX⁽¹⁾
Revenues	\$2,432.9	\$ 2,260.9	7.6%	10.1%
Gross Profit	\$ 363.9	\$ 338.1	7.6%	9.5%
SG&A as a % of Gross Profit	74.6%	76.2%	(160)	(140)
Operating Margin	3.3%	3.1%	20	10
EBITDA	\$ 83.1	\$ 69.6		
Total Interest Expense	\$ 23.3	\$ 21.4	\$ 1.9	
Net Income	\$ 35.8	\$ 31.3	14.4%	15.1%
Diluted EPCS	\$ 1.47	\$ 1.19	23.5%	24.8%

(1) Pro-forma growth assuming a constant exchange rate

Financial Results - U.S.
(\$ in millions)

	1Q15	1Q14	Change
Revenues	\$1,998.5	\$ 1,834.6	8.9%
Gross Profit	\$ 314.5	\$ 289.7	8.5%
SG&A as a % of Gross Profit	73.1%	74.7%	(160)
Operating Margin	3.7%	3.5%	20
Total Interest Expense	\$ 21.2	\$ 18.8	\$ 2.4
Pretax Margin	2.7%	2.5%	20

Financial Results - U.K.
(\$ in millions)

	1Q15	1Q14	Change	Constant FX ⁽¹⁾
Revenues	\$ 299.5	\$ 247.7	20.9%	32.5%
Gross Profit	\$ 34.2	\$ 28.7	18.9%	30.4%
SG&A as a % of Gross Profit	78.3%	78.2%	10	(20)
Operating Margin	2.1%	2.2%	(10)	(10)
Total Interest Expense	\$ 1.2	\$ 0.9	\$ 0.3	
Pretax Margin	1.7%	1.9%	(20)	(10)

Financial Results - Brazil
(\$ in millions)

	1Q15	1Q14	Change	Constant FX ⁽¹⁾
Revenues	\$ 134.8	\$ 178.5	-24.5%	-9.0%
Gross Profit	\$ 15.2	\$ 19.7	-22.5%	-6.5%
SG&A as a % of Gross Profit	96.7%	95.1%	160	180
Operating Margin	0.0%	0.2%	(20)	(30)
Total Interest Expense	\$ 0.8	\$ 1.7	\$ (0.9)	
Pretax Margin	-0.6%	-0.7%	10	10

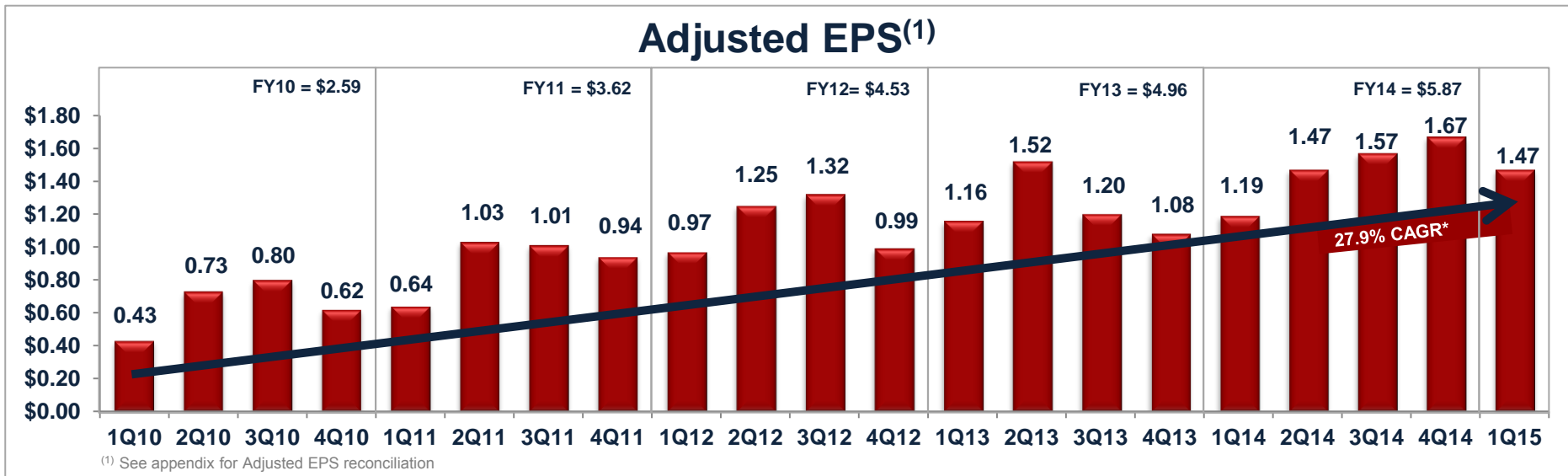
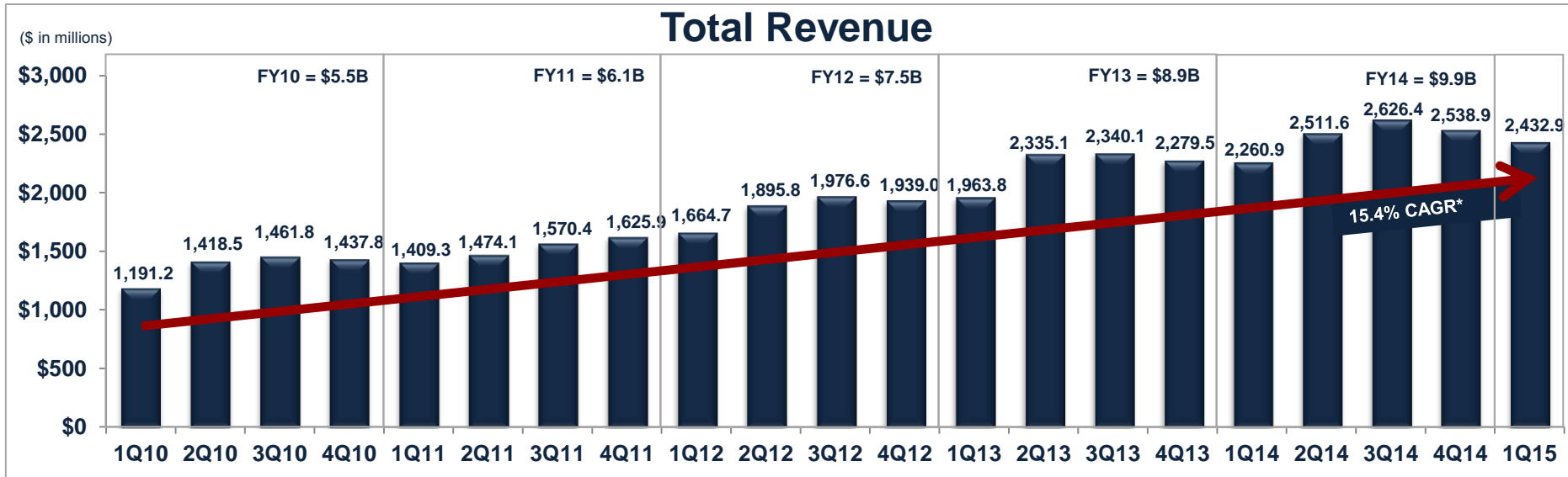
(1) pro-forma growth assuming a constant exchange rate

Same Store Financial Results - Consolidated
\$ in thousands

	Three Months Ended			Constant FX ⁽¹⁾
	3/31/2015	3/31/2014	Change	
Revenues:				
New vehicle retail	\$ 1,234,891	\$ 1,212,115	1.9%	4.5%
Used vehicle retail	564,736	530,401	6.5%	8.6%
Used vehicle wholesale	88,305	83,942	5.2%	8.1%
Total used	\$ 653,041	\$ 614,343	6.3%	8.5%
Parts and service	264,084	255,448	3.4%	5.2%
Finance and insurance	87,863	81,524	7.8%	8.8%
Total	<u>\$ 2,239,878</u>	<u>\$ 2,163,430</u>	<u>3.5%</u>	<u>5.9%</u>
Gross Profit	\$ 335,707	\$ 324,658	3.4%	5.2%

⁽¹⁾ pro-forma growth assuming a constant exchange rate

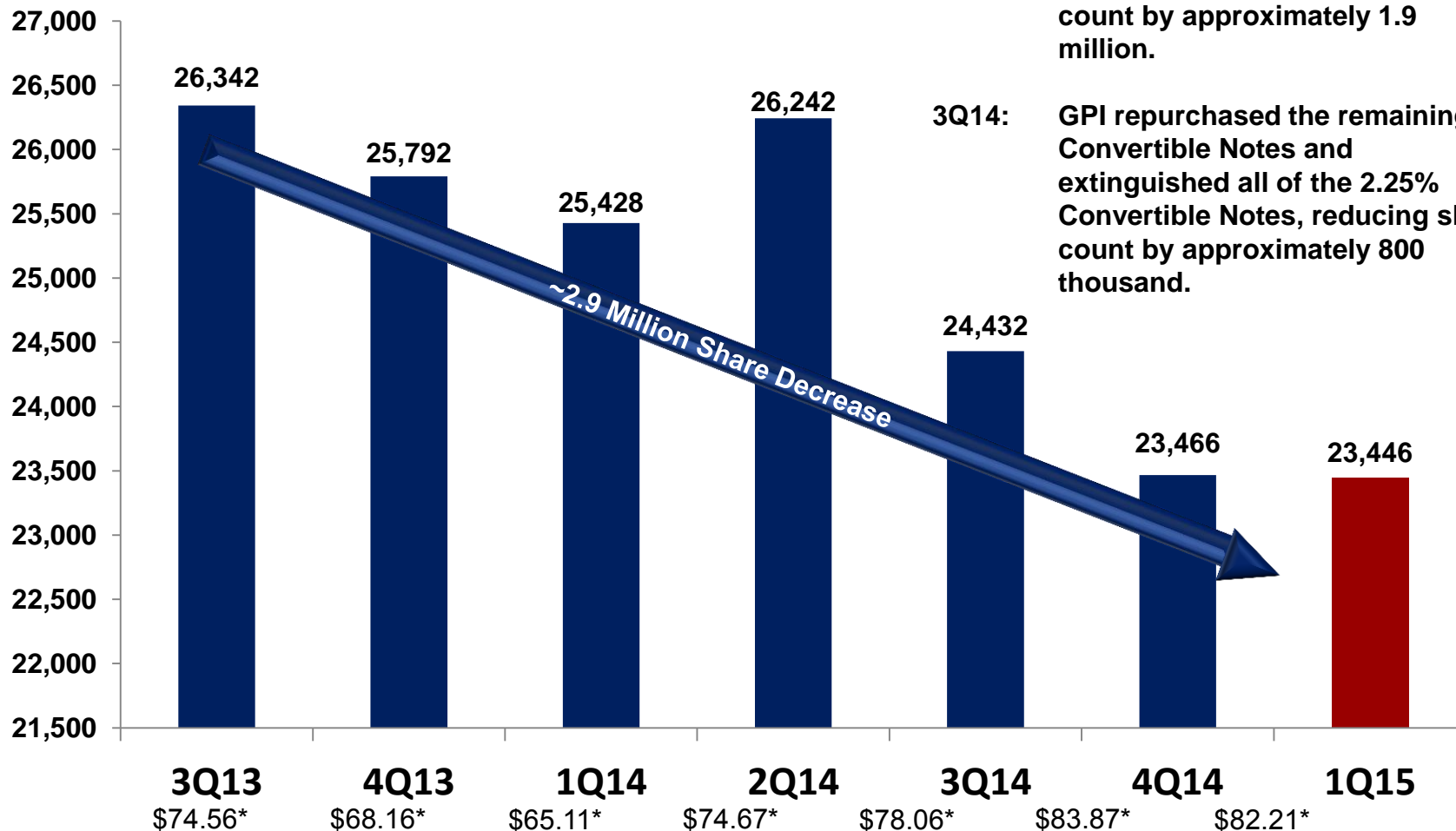
Total Revenue & EPS Growth



⁽¹⁾ See appendix for Adjusted EPS reconciliation

* CAGR calculation compares 1Q15 to 1Q10

GPI Shares
(in thousands)



2Q14: GPI repurchased 80% of its 3% Convertible Notes, reducing share count by approximately 1.9 million.

3Q14: GPI repurchased the remaining 3% Convertible Notes and extinguished all of the 2.25% Convertible Notes, reducing share count by approximately 800 thousand.

*Average share price for the quarter

GROUP **1** AUTOMOTIVE



Balance Sheet



Summary Balance Sheet

Summary Balance Sheet

\$ in thousands

	As of 3/31/2015	As of 12/31/2014
Cash and cash equivalents ⁽¹⁾	\$ 26,279	\$ 40,975
Contracts In Transit and vehicle receivables, net	\$ 225,048	\$ 237,448
Inventories, net	\$ 1,547,436	\$ 1,556,705
Total current assets	\$ 1,982,489	\$ 2,035,219
Total assets	\$ 4,098,467	\$ 4,141,492
Floorplan notes payable	\$ 1,428,533	\$ 1,450,902
Offset account related to credit facility ⁽¹⁾	\$ (100,795)	\$ (62,116)
Other current liabilities	\$ 489,368	\$ 533,413
Total current liabilities	\$ 1,817,106	\$ 1,922,199
Long-Term Debt, net of current maturities	\$ 1,077,964	\$ 1,008,837
Total stockholder's equity	\$ 959,827	\$ 978,010

(1) Available cash of \$127.1 million is total of cash and cash equivalents plus the U.S. offset account related to floorplan credit facilities. The U.S. offset account is amount of excess cash that is used to paydown floorplan credit facilities but can be immediately redrawn against inventory.

Debt Maturity Slide

(in millions)	Maturity Date	As of March 31, 2015		Funding Capacity
		Actual	Available Liquidity	
Cash and cash equivalents		\$ 26.3	\$ 26.3	
Short-Term Debt				
Inventory Financing ⁽¹⁾	2018	\$ 1,171.1	\$ 100.8	\$ 1,680.0
Other Vehicles Financing ⁽²⁾		156.7		
Current Maturities - LTD		69.3		
		<u>\$ 1,397.0</u>	<u>\$ 100.8</u>	<u>\$ 1,680.0</u>
Available Cash			\$ 127.1 ⁽⁴⁾	
Long-Term Debt				
Acquisition Line of Credit ^(1,3)	2018	123.7	150.6	320.0
5.00% Senior Unsecured Notes (Face: \$550.0 Million)	2022	540.4		
Mortgage Facility	2015 - 2018	26.3		
Real Estate	2015 - 2034	377.8		
Other	2017	9.8		
Total Long-Term Debt		<u>\$ 1,078.0</u>		
Total Debt		<u>\$ 2,475.0</u>		
			<u>\$ 277.7</u>	<u>\$ 2,000.0</u>

- 1) The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated within the overall \$1.7 billion commitment. Further, the borrowings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
- 2) Borrowings with manufacturer affiliates for rental vehicle financing and foreign inventories not associated with any of the Company's domestic credit facilities.
- 3) The available liquidity balance at March 31, 2015 considers the \$45.7 million of letters of credit outstanding.
- 4) Available cash of \$127.1 million is total of cash and cash equivalents plus the U.S. offset account related to floorplan credit facilities. The U.S. offset account is amount of excess cash that is used to paydown floorplan credit facilities but can be immediately redrawn against inventory.

GROUP **1** AUTOMOTIVE



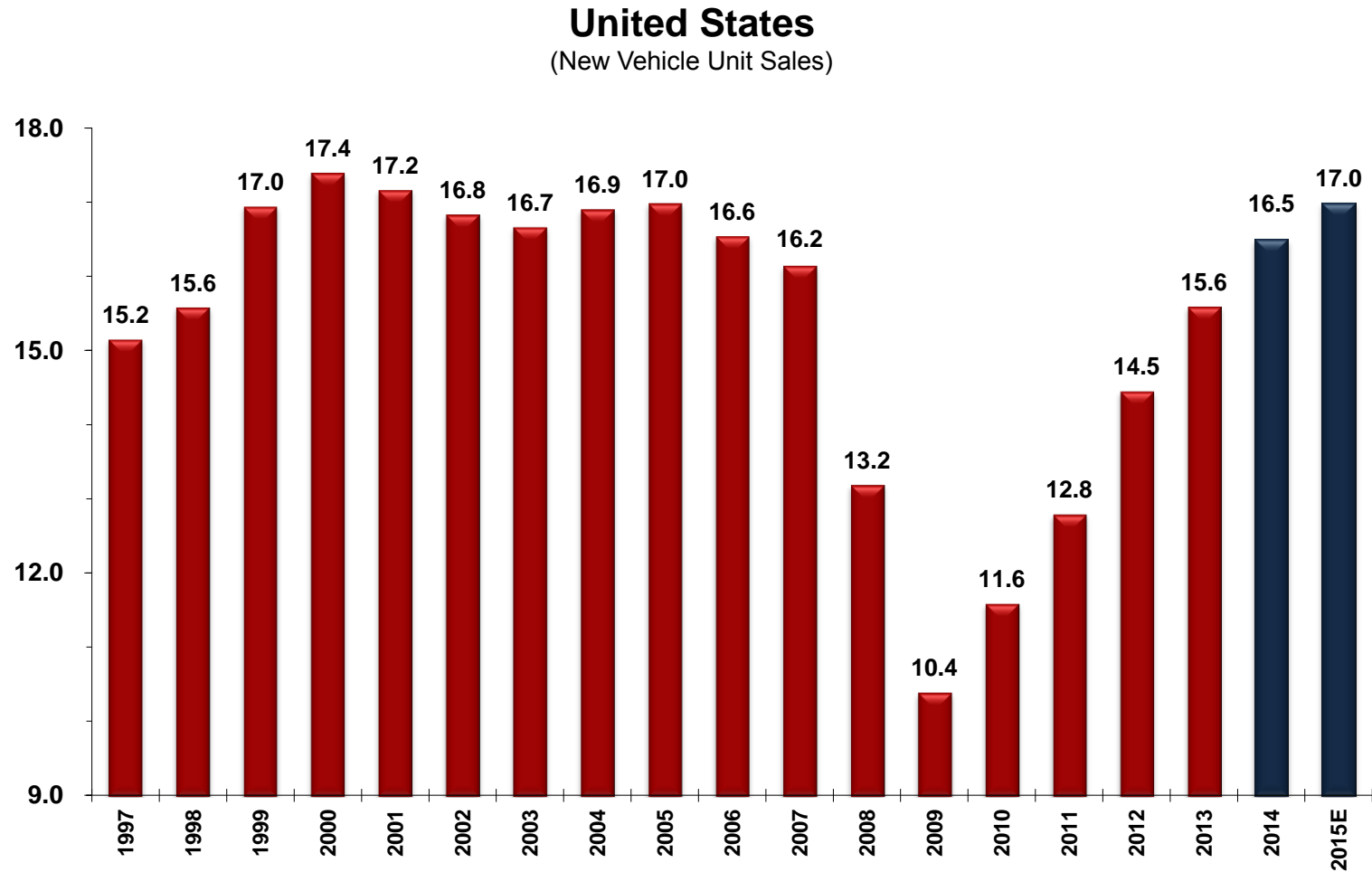
Growth Outlook



Factors Driving U.S. Auto Sales Growth

- Age of car park exceeds 11 years – above trend
- Financing is back to pre-recession levels
 - Aggressive loan to value; approval rates for prime and near prime customers rising
- Used vehicle prices remain robust
 - Helps consumers in terms of trade-in values; allows for more aggressive leasing
- Number of licensed drivers is on the rise
- Falling oil prices are helping consumer discretionary income

Pent-up demand driving purchase decisions



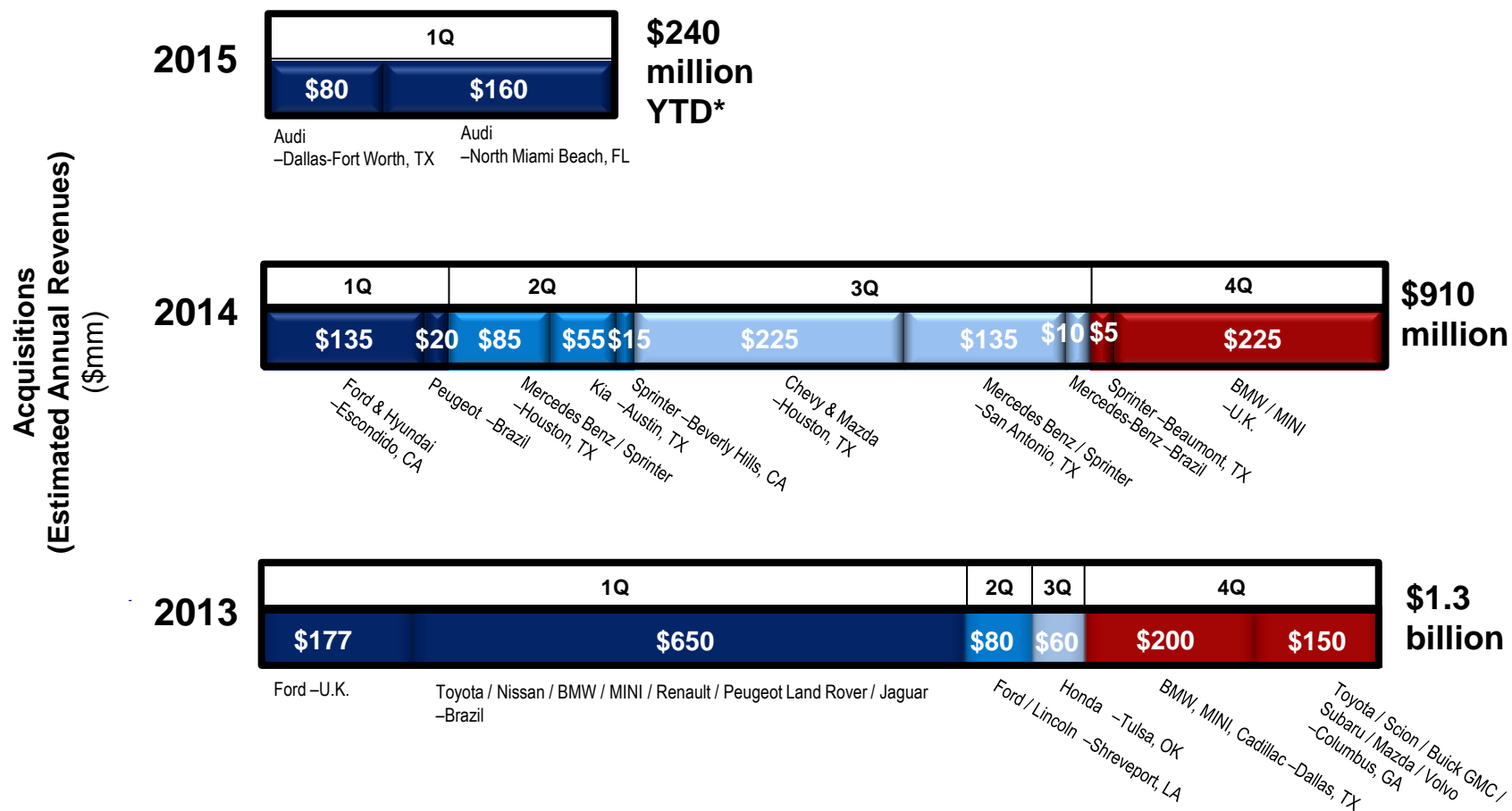
Source: LMC Automotive – U.S. New Vehicle Unit Sales & 2015 Forecast

- **Acquisitions that clear return hurdles**
(10%-15% after-tax discounted cash flows)
- **Return cash to stockholders**
 - Quarterly Cash Dividend
 - \$0.20 per share
 - Share Repurchases in 1Q15:
 - ~198,000 shares at average price of \$81.62
 - Repurchase Authorization:
 - As of March 31, 2015, \$83.3 million remains under Board authorization of \$100.0 million



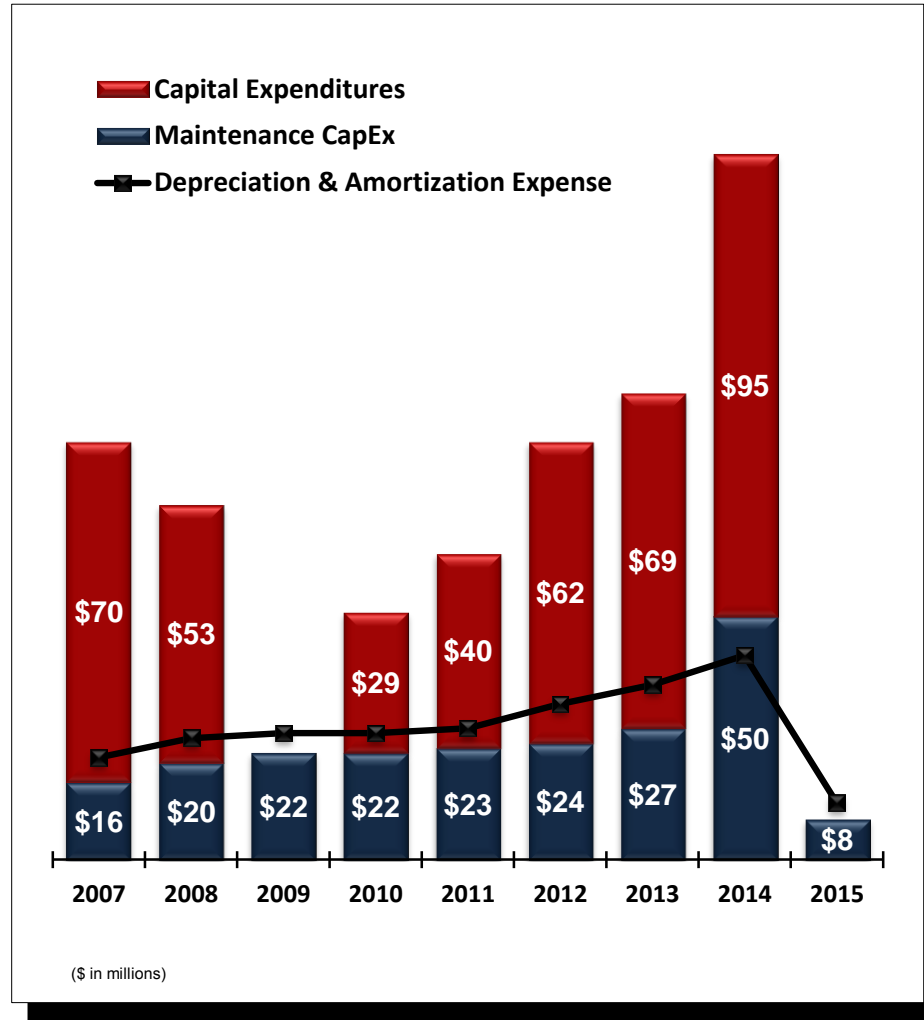
*Based on average 2014 share price of \$75.23

- Group 1 is well positioned to take advantage of acquisition opportunities and grow scale in existing markets (U.S., U.K., and Brazil)
- The Company targets acquisitions that clear return hurdles (10% - 15% after tax discounted cash flow)



*As of April 28, 2015

- 2014 CapEx of \$95 million
- 2015 CapEx projected to be less than \$125 million
 - Working with our manufacturer partners to limit spending

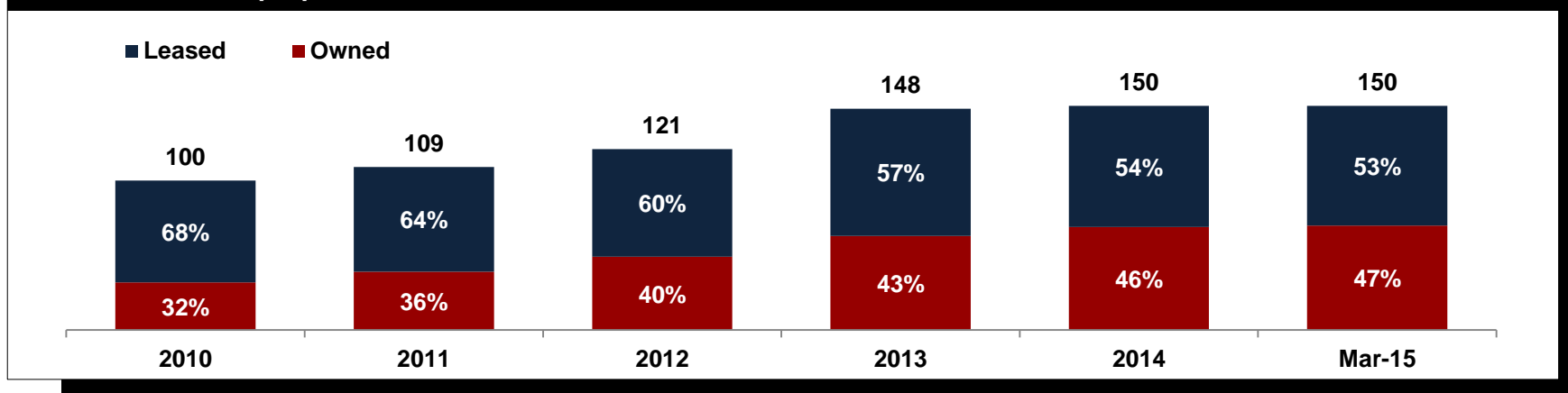


- GPI has historically leased properties but has been shifting to owning the real estate
 - GPI views control of dealership real estate as a strong strategic asset
 - Better flexibility and lower cost
- As of March 2015, the Company owns approximately \$745 million of real estate (47% of dealership locations) financed through \$462 million of mortgage debt
- During 2014, GPI purchased approximately \$140 million of real estate, of which \$41 million of real estate was converted from leased to owned properties
- The Company looks for opportunistic real estate acquisitions in strategic locations and markets

Dealership property breakdown by region (as of March 31, 2015)

Geographic Location	Dealerships	
	Owned	Leased
United States	57	59
United Kingdom	13	4
Brazil	--	17
Total	70	80

Leased vs. owned properties



GROUP **1** AUTOMOTIVE



Conclusion



- Well-balanced portfolio (geography, business mix and brands)
- Profitability of different business units through the cycle
 - Model proved itself during recession
- Streamlined business -- generating cash
- Strong balance sheet
- Continue to drive growth through acquisitions
- Operational growth and leverage
 - New vehicle sales growth in U.S.
 - Opportunity to drive growth in used vehicle and Parts & Service with process improvements in all markets
 - Finance & Insurance initiatives should drive further growth in the U.K. and Brazil
 - Continued leverage opportunities as gross profit increases
- Experienced, successful and driven management team

GROUP **1** AUTOMOTIVE



CORE VALUES

Integrity

We conduct ourselves with the highest level of ethics both personally and professionally when we sell to and perform service for our customers without compromising our honesty

Transparency

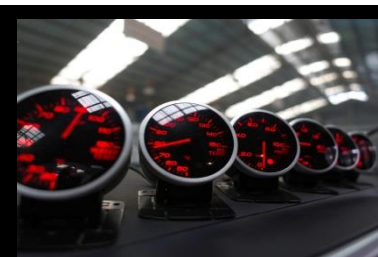
We promote open and honest communication between each other and our customers

Professionalism

We set our standards high so that we can exceed expectations and strive for perfection in everything we do

Teamwork

We put the interest of the group first, before our individual interests, as we know that success only comes when we work together



GPI
LISTED
NYSE

GROUP **1** AUTOMOTIVE



Appendix




Earl J. Hesterberg – President and Chief Executive Officer and Director

(April 2005)

- 35+ Years **Industry Experience**
- Manufacturer and **Automotive Retailing Experience**: Ford Motor Company; **Ford of Europe**; **Gulf States Toyota**; **Nissan Motor Corporation in U.S.A.**; **Nissan Europe**


John C. Rickel – Senior Vice President and Chief Financial Officer

(December 2005)

- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Ford Europe


Darryl M. Burman – Vice President and General Counsel

(December 2006)

- 20+ Years Industry Experience
- Automotive-related Experience: Mergers and Acquisitions; Corporate Finance; Employment and Securities Law – Epstein Becker Green Wickliff & Hall, P.C.; Fant & Burman, L.L.P.


Peter C. DeLongchamps – Vice President, Financial Services and Manufacturer Relations

(July 2004)

- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: General Motors Corporation; BMW of North America; Advantage BMW in Houston


Wade D. Hubbard – Vice President, Fixed Operations

(May 2006)

- 35+ Years Industry Experience
- Automotive Industry Experience: Gulf States Toyota; BMW North America; DaimlerChrysler Corp./Mercedes-Benz; Nissan Motor Corporation USA; Ford Motor Company


Mark Iuppenlatz – Vice President, Corporate Development

(January 2010)

- 15+ Years Industry Experience
- Automotive-related Experience: Corporate and Real Estate Development; Construction -Sonic Automotive; REIT


J. Brooks O'Hara – Vice President, Human Resources

(February 2000)

- 30+ Years Industry Experience
- Automotive Industry Experience: Gulf States Toyota

- Frank Grese Jr. – Regional Vice President, West Region
(December 2004)
 - 35+ Years Industry Experience
 - Manufacturer and Automotive Retailing Experience: Ford Motor Company; Nissan Motor Corporation in U.S.A.; AutoNation; Van Tuyl

- Daryl Kenningham – Regional Vice President, East Region
(July 2011)
 - 20+ Years Industry Experience
 - Manufacturer and Automotive Retailing Experience: Gulf States Toyota; Nissan Motor Corporation; Ascent Automotive

- Ian Twinley – Regional Vice President, United Kingdom
(March 2007)
 - 30+ Years Industry Experience
 - Manufacturer and Automotive Retailing Experience: Chandlers Garage Holdings Ltd.; John Grose Group; Ford Motor Company

- Lincoln da Cunha Pereira Filho – Regional Vice President, Brazil; Director; Chairman, UAB Motors
(February 2013)
 - 15 Years Industry Experience
 - Automotive-related Experience: UAB Motors Participacoes S.A.; Public Auto Group; Automotive Racing

	Actual	Variable %
Vehicle Financing	\$1,327.7	95.7%
Real Estate & Other Debt	\$1,147.2	33.2%
Senior Notes ⁽¹⁾	\$550.0	0.00%
<hr/>		
SWAPS ⁽²⁾	\$550.0	

⁽¹⁾ Face Value

⁽²⁾ SWAPS range from \$200-\$750 million through 2020, see slide 42 for more details

- **Primary exposure is short-term interest rate changes; key exposure is one-month LIBOR**
- **Group 1 has mitigated the majority of its risk exposure for rising interest rates through a combination of the swaps, fixed rate debt, and manufacturer floorplan assistance**
- **Manufacturer floorplan assistance offsets a portion of interest rate impact**
 - As interest rates go up, typically manufactures offer additional interest assistance to offset the variance
 - 86% of variable inventory financing is eligible for floorplan assistance as used vehicle; rental and some foreign financing are not eligible for floorplan assistance
 - Interest assistance is recognized in new vehicle gross profit, not in interest expense

INTEREST RATE SWAP LAYERS

\$'s in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Average Swap Balance	\$450	\$450	\$550	\$550	\$750	\$700	\$550	\$200
Interest Expense	\$ 11	\$ 11	-	-	-	-	-	-
Average Interest Rate	2.64%	2.63%	2.57%	2.76%	2.62%	2.72%	2.62%	2.92%

- **Plentiful acquisition opportunities**

- Aging franchise ownership looking for exit strategy

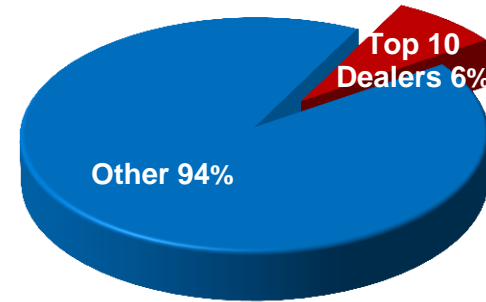
- **Very large and extremely fragmented market in U.S.**

- \$1 trillion market⁽¹⁾
- Top 10 groups represent approximately 6% of the market⁽¹⁾

- **Growing market in Brazil**

- Opportunity for open points

U.S. New Vehicle Unit Sales



Source: Automotive News "Top 125 Dealership Groups of 2013"

⁽¹⁾ Automotive News "Top 125 Dealership Groups of 2013"

GROUP **1** AUTOMOTIVE



Brazil



- **Number of States: 27 – GPI operates in 3 States (Sao Paulo, Parana, and Mato Grosso do Sul)**
- **8th Largest Economy**
 - 2013 GDP: US\$2.4 trillion
 - Real GDP Growth
 - 2012: 0.9%
 - 2013: 2.3%
 - 5-year projected CAGR: 4.1%
- **6th Largest Population**
 - July 2014 Estimate: 203 million
 - 2014 Estimated Growth: 0.8%
 - 2030 Estimated: 220 million
- **Fast Growing Middle Class**
- **4th Largest Auto Market**
 - 2013 Units sold: 3.8 million
 - 5-year CAGR: 6.2%
 - 2014E Unit growth: 2.6% – 3.6%

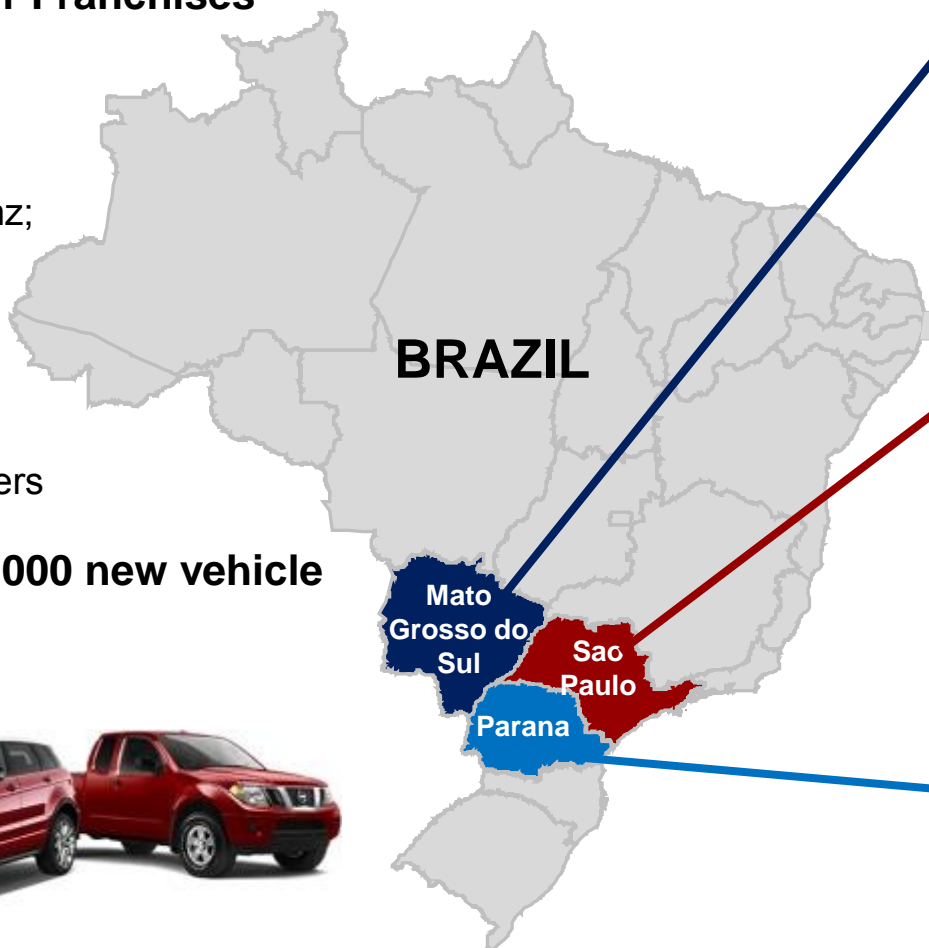


Group 1 is aligned with growing brands in Brazil

■ 17 Dealerships / 21 Franchises

- 4 BMW;
- 2 Jaguar;
- 2 Land Rover;
- 1 Mercedes-Benz;
- 2 MINI;
- 4 Nissan;
- 4 Peugeot; and
- 2 Toyota
- 4 Collision Centers

■ Approximately 17,000 new vehicle unit sales in FY14



Mato Grosso do Sul Locations

- Campo Grande



Mercedes-Benz

Sao Paulo Locations

- Sao Paulo
- Sao Jose dos Campos
- Santo Andre
- Sao Caetano do Sul
- Sao Bernardo do Campo

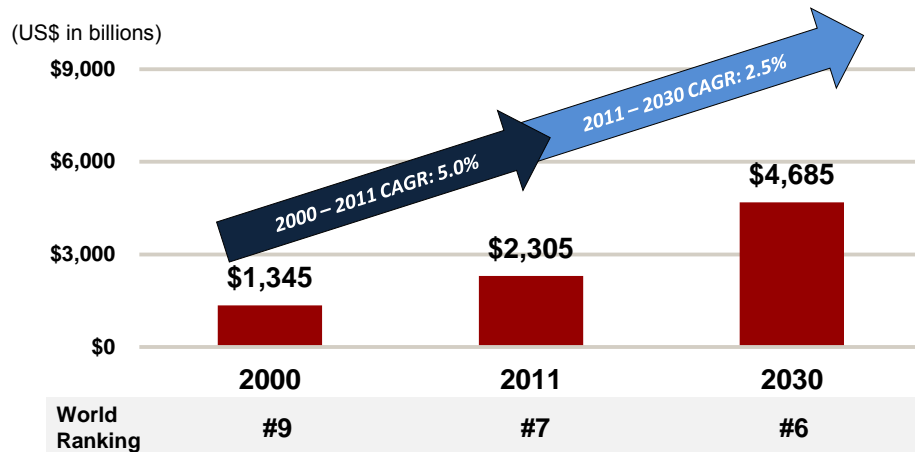


Parana Locations

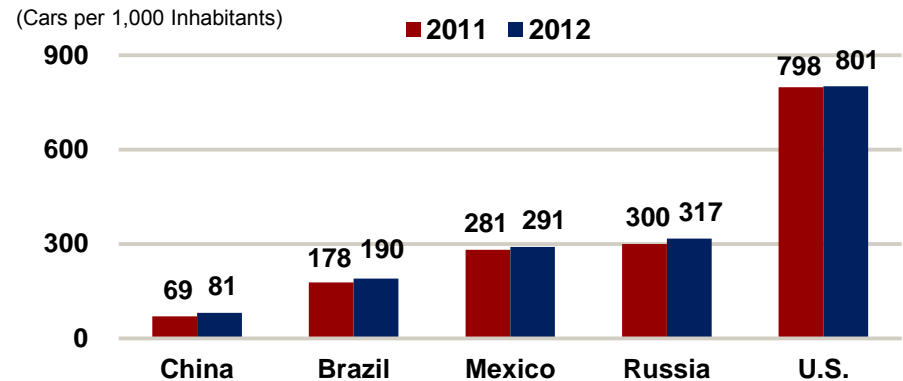
- Curitiba
- Londrina
- Cascavel



Brazil GDP Evolution

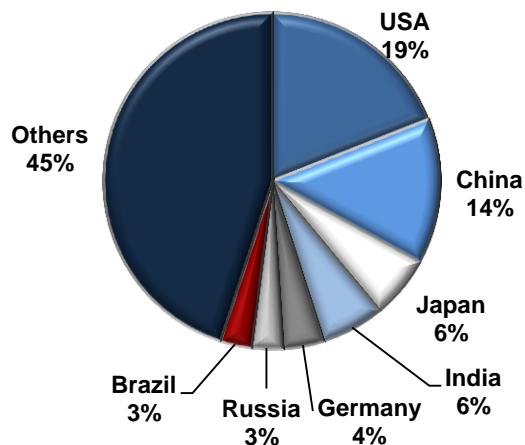


Vehicle Ownership in Brazil

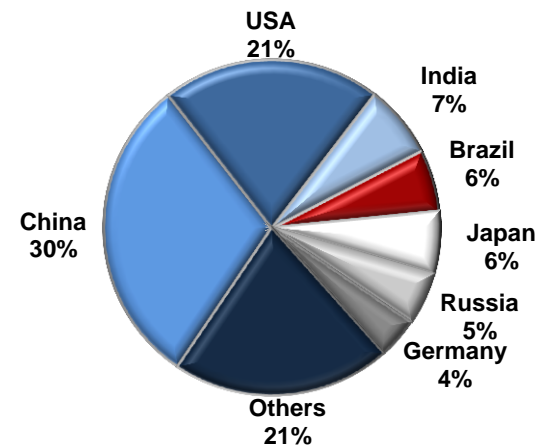


World GDP

2011



2030



Historically Dominant Brands



Main Players
1950–1980

All Brands Currently in the Market



HONDA

PEUGEOT

Audi



CITROËN

TOYOTA

JAGUAR



CHERY

LAND-ROVER

Mercedes-Benz



MITSUBISHI

RENAULT

VOLVO

ASTON MARTIN

GPI Brands



TOYOTA



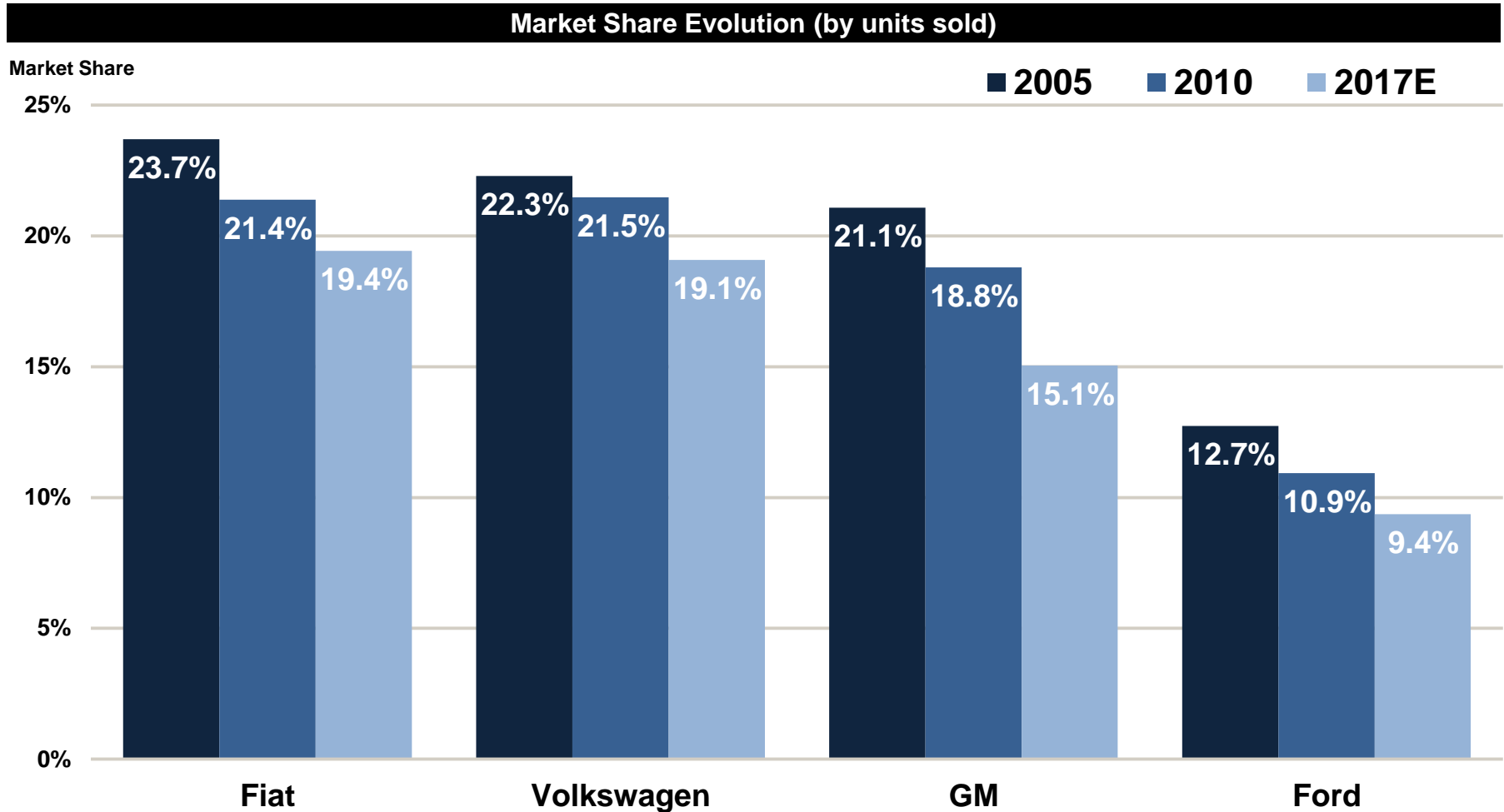
JAGUAR

PEUGEOT



Mercedes-Benz

- Traditional Big Four⁽¹⁾ brands have lost share over the last decade.



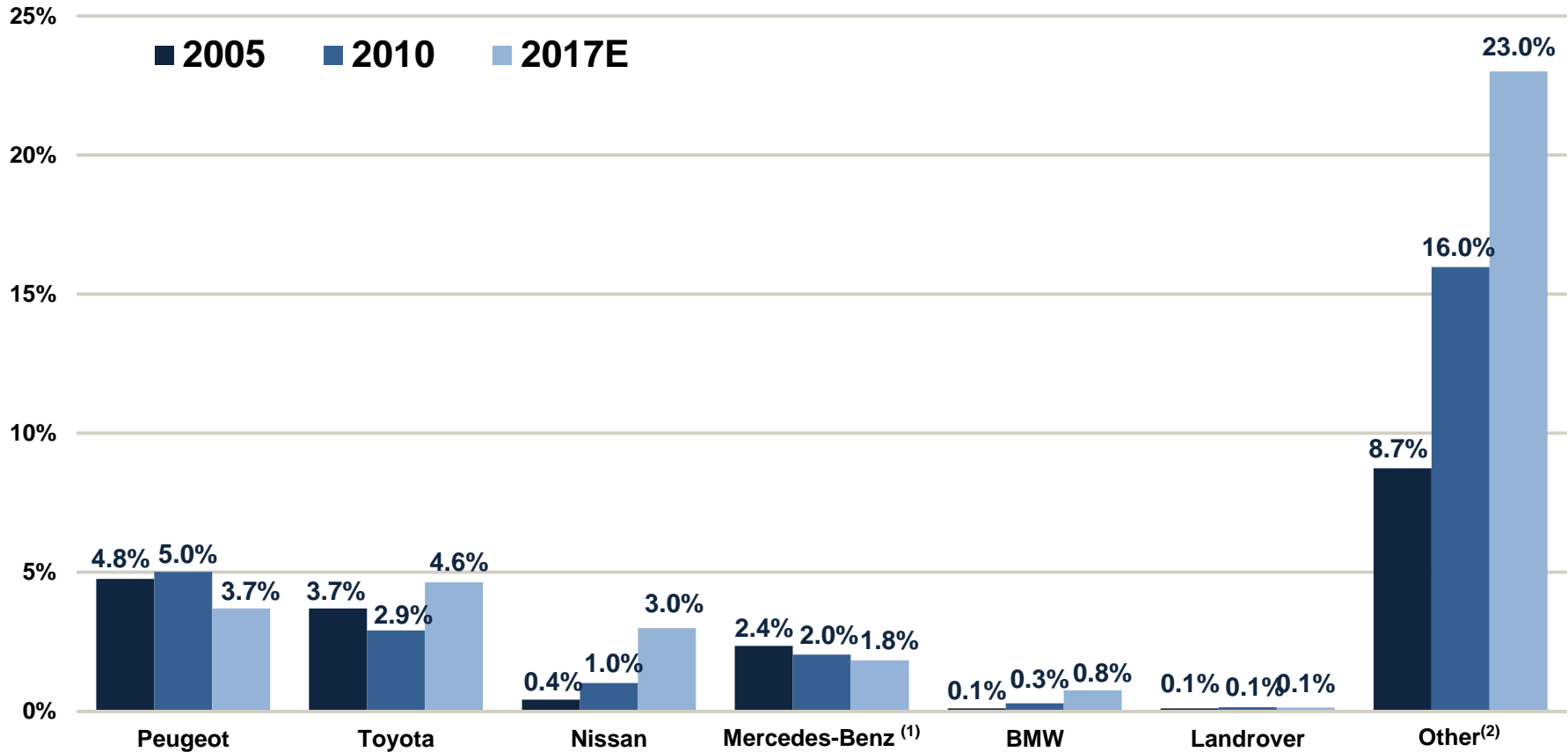
Source: IHS

⁽¹⁾ Big Four brands include Chevrolet, Fiat, Ford, and VW

- Most GPI Brands have gained share in recent years and localized production should support this trend.

Market Share Evolution (by units sold)

Market Share

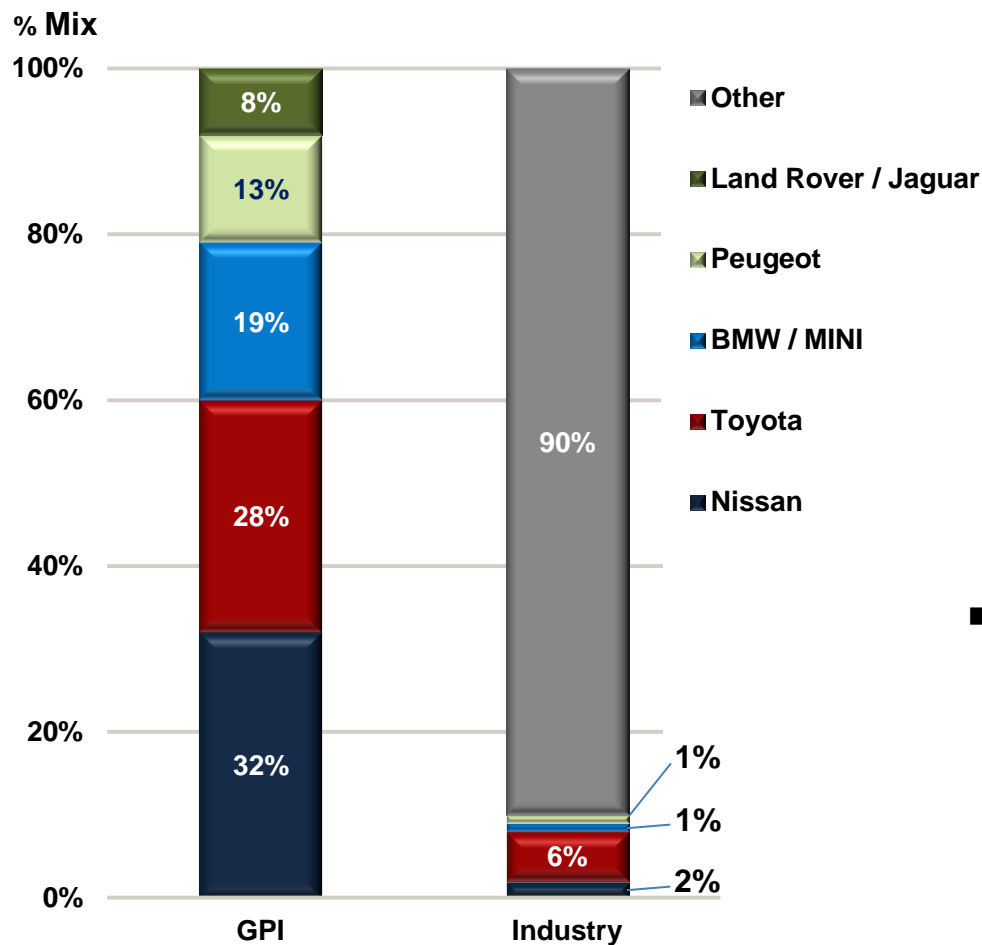


Source: IHS

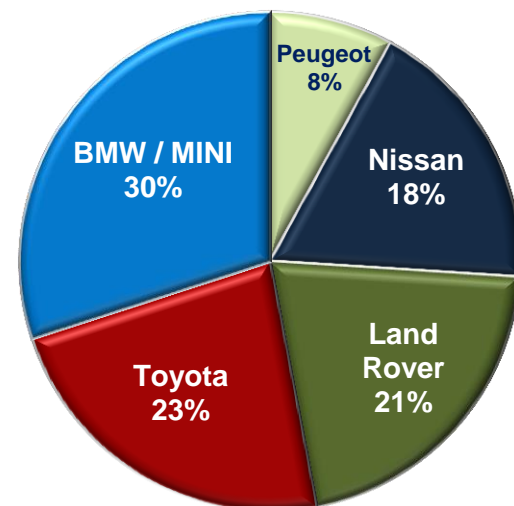
⁽¹⁾ 2005 & 2010 Mercedes-Benz data includes Sprinter NV units sold; 2015 data excludes Sprinter

⁽²⁾ Other includes Renault, Honda, Audi and Hyundai, among others

GPI vs. Industry New Vehicle Unit Sales YTD 4Q14*



New Vehicle Brand Mix (YTD 4Q14 Revenues*)



■ GPI brands are well-positioned for growth

- Top-2 dealer group in:
 - BMW
 - Land Rover
 - Mini
 - Nissan
 - Peugeot
- Top-10 dealer group in Toyota

*Excludes Renault, which was disposed on November 30, 2014

Source: ANFAVEA and GPI

- Heavily dependent on new vehicle sales
- Very high interest rates / floor plan cost
- Undeveloped used vehicle sales model via franchised dealers (required warranty by seller)
- Registration process prevents “spot deliveries”
- Finance and Insurance (F&I) income is limited; luxury leasing is in its infancy
- Lower facility investments (less space required for vehicle inventory and service)
- Lack of sophisticated operating software
- Volatile sales rates due to government intervention
- Powerful dealer councils

■ Ferrari Law

- Federal law governing OEMs and dealers
- Law grants dealer councils and related OEMs authority to regulate their relationship
- Dealers are granted an exclusive pre-defined operational area based on population density
- Lifetime commercial concession contract
- Dealers, via the dealer council, set the suggested consumer price
- OEMs may require the dealer to sign commitments for inventory purchases of new vehicles

■ Dealer Council Strength

- Dealer councils negotiates all aspects of the commercial relationship between OEMs and dealers and must approve the following:
 - Incentives
 - Bonus programs and holdback
 - Sales and service margins
 - Advertising campaigns

■ Positions held within the Dealer Councils

- **Lincoln da Cunha Pereira**
 - President of BMW Motorcycles Dealer Council
 - Vice President of Toyota Dealer Council
 - Director of BMW Automobiles Dealer Council
 - Member of the Board of Nissan Dealer Council
- **Andre Ribeiro**
 - President of Jaguar / Land Rover Dealer Council
 - Director of Peugeot Dealer Council

Near Term:

- Better Capitalization
- More favorable inventory and facility financing
- Better financial discipline and controls
- Digital marketing expertise
- Sales operation best practice sharing
- Global OEM relationships

Longer Term:

- More capable and efficient operating systems and software
- Extensive parts & service expertise
- Employee training resources
- Ongoing financial power to grow

Why Brazil? Future GROWTH!

- **Over time, Brazil new vehicle market will grow quickly**
 - Expect new vehicle unit sales of 3.4mm in 2014; expect flat growth in 2015
 - Down 8% – 12% from 2013
 - Market growth is over-weighted toward non-Big Four⁽¹⁾ brands in Brazil
 - Industry sales have grown at a 4.7% CAGR since 2008 and are estimated to increase ~27% over the next five years
- **GDP growth likely to outperform U.S. over next five years**
 - 5-year CAGR:
 - United States: 2.4%
 - Brazil: 4.1%
- ⁽¹⁾ **5th Largest new vehicle sales market**
 - 4.7% 5-year CAGR (2008-2013)
- **Vehicles-per-population is one of the lowest in developed markets**
- **Highly fragmented, little consolidation**
 - Top 15 auto dealers represent ~19% of the total market
- **Numerous acquisition opportunities**
- **Significant growth potential**



Nissan Parque

Source: ANFAVEA, Roland Berger Strategy Consultants, and the IMF

⁽¹⁾ Big Four brands include Chevrolet, Fiat, Ford, and VW

GROUP **1** AUTOMOTIVE

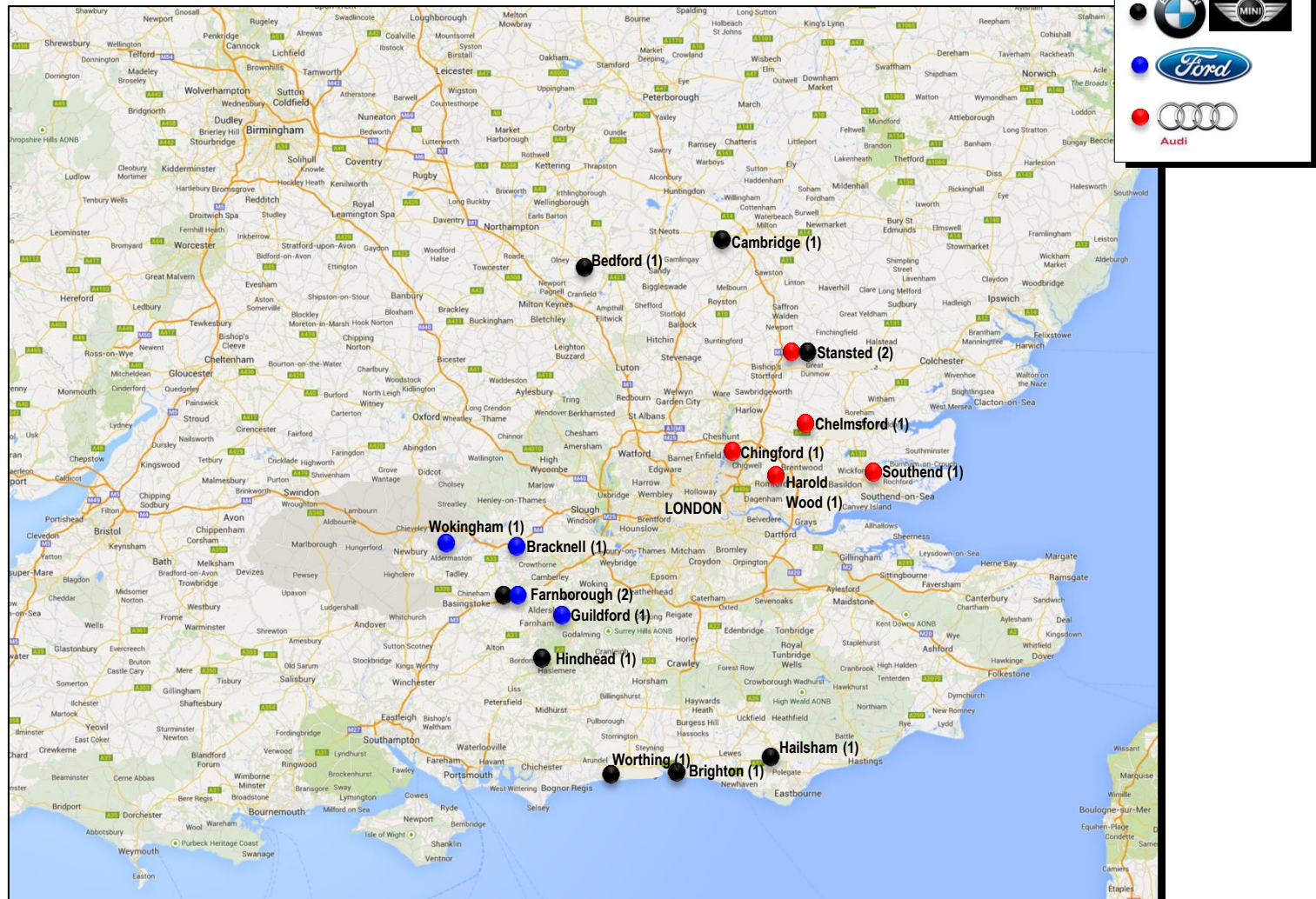


U.K.



UNITED KINGDOM – England

17 Dealerships





Reconciliations

See following section for reconciliations of data denoted within this presentation



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

EBITDA RECONCILIATION:

	Three Months Ended March 31,	
	2015	2014
Net income	\$ 35.8	\$ 31.3
Other interest expense, net ⁽¹⁾	13.9	10.5
Depreciation and amortization expense	11.7	9.9
Income tax expense	21.7	17.9
Adjusted EBITDA ⁽²⁾	<u>\$ 83.1</u>	<u>\$ 69.6</u>

(1) Excludes Floorplan interest expense

(2) Adjusted EBITDA is defined as income (loss) plus loss on repurchase of long-term debt, other interest expense, net, depreciation and amortization expense, non-cash asset impairment charges, acquisition costs, catastrophic events, net gain on real estate and dealership transactions, severance, legal settlements, foreign transaction tax, and income tax expense (less income tax benefit). While Adjusted EBITDA should not be construed as a substitute for net income or as a better measure of liquidity than net cash provided by operating activities, which are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), it is included in our discussion of earnings to provide additional information regarding the amount of cash our business is generating with respect to our ability to meet future debt services, capital expenditures and working capital requirements. Adjusted EBITDA should not be used as an indicator of our operating performance. Consistent with industry practices, our management utilizes Adjusted EBITDA when valuing dealership operations. This measure may not be comparable to similarly titled measures reported by other companies. The table above shows the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to the GAAP measurement income (loss) for the periods presented in the table.

May not foot due to rounding

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

NET INCOME (LOSS) RECONCILIATION:

											Three Months Ended:										
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
As reported	\$ 7,981	\$ 12,769	\$ 18,985	\$ 10,569	\$ 15,362	\$ 24,683	\$ 21,494	\$ 20,855	\$ 23,117	\$ 28,625	\$ 31,335	\$ 17,132	\$ 22,118	\$ 37,388	\$ 32,765	\$ 21,721	\$ 31,303	\$ 16,862	\$ 26,162	\$ 18,677	\$ 35,815
After-tax Adjustments ⁽¹⁾ :																					
Non-cash asset impairment charges	-	950	1,033	4,947	140	85	2,309	461	-	115	-	4,277	-	369	349	3,319	-	1,067	6,559	19,878	-
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on real estate and dealership transactions	-	3,698	(761)	-	-	-	-	-	-	(659)	-	(276)	(356)	(4,785)	(230)	-	-	(316)	(8,572)	1,550	-
(Gain) loss on repurchase of long-term debt	2,458	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,778	17,934	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	(810)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	1,658	-	1,219	504	6,757	158	-	-	1,039	671	-	-
Severance costs	-	405	-	-	-	-	-	-	-	-	-	548	-	-	454	237	-	-	388	385	-
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	-	1,111	6,968	-	(630)	-	-	-	-	188	-
Valuation allowance for certain deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,629	-	-	-	-	-
Legal items	-	-	-	-	-	-	-	641	-	-	-	-	-	-	-	-	-	274	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	274	-	-	-
Tax impact of foreign deductible goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,358)	-	-
Adjusted net income ⁽²⁾	<u>\$ 10,439</u>	<u>\$ 17,822</u>	<u>\$ 19,257</u>	<u>\$ 14,706</u>	<u>\$ 15,502</u>	<u>\$ 24,768</u>	<u>\$ 23,803</u>	<u>\$ 21,957</u>	<u>\$ 23,117</u>	<u>\$ 29,739</u>	<u>\$ 31,335</u>	<u>\$ 24,011</u>	<u>\$ 29,234</u>	<u>\$ 39,729</u>	<u>\$ 32,866</u>	<u>\$ 28,906</u>	<u>\$ 31,303</u>	<u>\$ 39,978</u>	<u>\$ 39,784</u>	<u>\$ 40,678</u>	<u>\$ 35,815</u>

**ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED
COMMON SHARES RECONCILIATION:**

Adjusted net income	\$ 10,439	\$ 17,822	\$ 19,257	\$ 14,706	\$ 15,502	\$ 24,768	\$ 23,803	\$ 21,957	\$ 23,117	\$ 29,739	\$ 31,335	\$ 24,011	\$ 29,234	\$ 39,729	\$ 32,866	\$ 28,906	\$ 31,303	\$ 39,978	\$ 39,784	\$ 40,678	\$ 35,815
Less: Adjusted earnings allocated to participating securities	597	1,000	1,203	785	918	1,424	1,392	1,182	1,165	1,637	1,641	1,066	1,233	1,692	1,324	1,057	1,156	1,456	1,520	1,529	1,388
Adjusted net income available to diluted common shares	<u>\$ 9,842</u>	<u>\$ 16,822</u>	<u>\$ 18,054</u>	<u>\$ 13,921</u>	<u>\$ 14,584</u>	<u>\$ 23,344</u>	<u>\$ 22,411</u>	<u>\$ 20,775</u>	<u>\$ 21,952</u>	<u>\$ 28,102</u>	<u>\$ 29,694</u>	<u>\$ 22,945</u>	<u>\$ 28,001</u>	<u>\$ 38,037</u>	<u>\$ 31,542</u>	<u>\$ 27,849</u>	<u>\$ 30,147</u>	<u>\$ 38,522</u>	<u>\$ 38,264</u>	<u>\$ 39,149</u>	<u>\$ 34,427</u>

**DILUTED EARNINGS (LOSS)
PER SHARE RECONCILIATION:**

											Three Months Ended:										
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
As reported	\$ 0.32	\$ 0.52	\$ 0.79	\$ 0.45	\$ 0.64	\$ 1.03	\$ 0.91	\$ 0.90	\$ 0.97	\$ 1.20	\$ 1.32	\$ 0.70	\$ 0.88	\$ 1.43	\$ 1.19	\$ 0.81	\$ 1.19	\$ 0.62	\$ 1.03	\$ 0.77	\$ 1.47
After-tax Adjustments:																					
Non-cash asset impairment charges	-	0.04	0.04	0.21	-	-	0.10	0.02	-	0.01	-	0.18	-	0.01	0.01	0.12	-	0.04	0.26	0.81	-
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on real estate and dealership transactions	-	0.15	(0.03)	-	-	-	-	-	-	(0.03)	-	(0.01)	(0.01)	(0.18)	(0.01)	-	-	(0.01)	(0.34)	0.06	-
(Gain) loss on repurchase of long-term debt	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.76	0.71	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	(0.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	0.07	-	0.05	0.02	0.26	0.01	-	-	0.04	0.03	-	-
Severance costs	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-	-	0.02	0.01	-	-	0.01	0.02	-
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	-	0.05	0.27	-	(0.02)	-	-	-	-	0.01	-
Valuation allowance for certain deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	-	-	-	-	-
Legal items	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-	0.01	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-
Tax impact of foreign deductible goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.13)	-	-
Adjusted diluted income per share ⁽²⁾	<u>\$ 0.43</u>	<u>\$ 0.73</u>	<u>\$ 0.80</u>	<u>\$ 0.62</u>	<u>\$ 0.64</u>	<u>\$ 1.03</u>	<u>\$ 1.01</u>	<u>\$ 0.94</u>	<u>\$ 0.97</u>	<u>\$ 1.25</u>	<u>\$ 1.32</u>	<u>\$ 0.99</u>	<u>\$ 1.16</u>	<u>\$ 1.52</u>	<u>\$ 1.20</u>	<u>\$ 1.08</u>	<u>\$ 1.19</u>	<u>\$ 1.47</u>	<u>\$ 1.57</u>	<u>\$ 1.67</u>	<u>\$ 1.47</u>
Weighted average dilutive common shares outstanding	23,156	23,108	22,433	22,467	22,736	22,651	22,219	22,040	22,532	22,513	22,458	23,244	24,113	24,980	26,342	25,792	25,428	26,242	24,432	23,466	23,446
Participating Securities	1,405	1,374	1,495	1,284	1,450	1,393	1,392	1,276	1,209	1,317	1,245	1,091	1,072	1,112	1,100	983	963	986	971	925	932
Total weighted average shares outstanding	<u>24,561</u>	<u>24,482</u>	<u>23,928</u>	<u>23,751</u>	<u>24,186</u>	<u>24,044</u>	<u>23,611</u>	<u>23,316</u>	<u>23,741</u>	<u>23,830</u>	<u>23,703</u>	<u>24,335</u>	<u>25,185</u>	<u>26,092</u>	<u>27,442</u>	<u>26,775</u>	<u>26,391</u>	<u>27,228</u>	<u>25,403</u>	<u>24,391</u>	<u>24,378</u>

GROUP **1** AUTOMOTIVE



www.group1auto.com

