

United States



United Kingdom



Brazil

GROUP 1 AUTOMOTIVE®

2017 Second Quarter Financial Results & Overview

July 27, 2017



GPI
LISTED
NYSE

Forward Looking Statement



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. We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to this presentation. These non-GAAP measures should not be considered an alternative to GAAP financial measures. 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.



www.group1auto.com

2



Company Overview

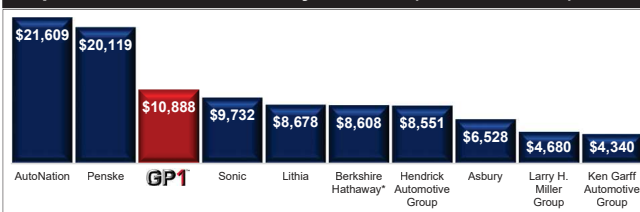
What Sets Group 1 Apart?



- International, Fortune 500 company with Market Cap of \$1.3 Billion (period ended June 30, 2017)
- Third largest dealership group in the U.S. retailing over 300,000 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
- From 2011 to 2016, the compounded annual growth rate (CAGR) was 12.4% for revenue, 14.0% for earnings per share (EPS) and 15.4% for adjusted earnings per share (adjusted EPS)

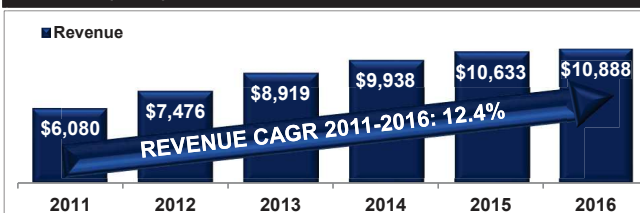


Top 10 U.S. auto retailers by revenue (\$mm, FY 2016)



Source: Automotive News, 2016 Top 150 Dealership Groups
*2014 revenues

Revenue (\$mm)



Adj. EPS Growth (\$)



www.group1auto.com

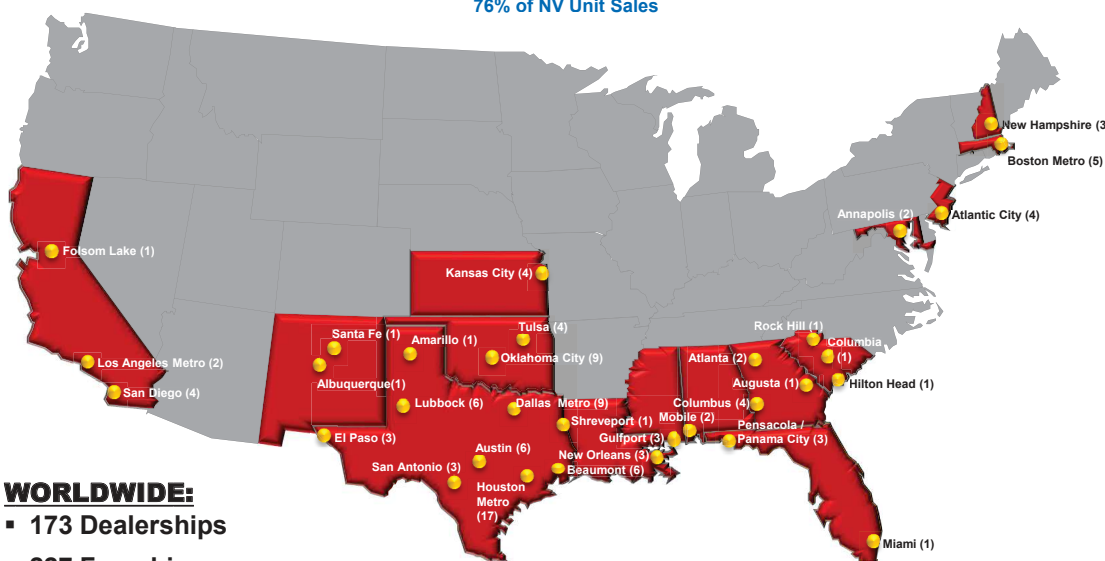
5

Geographic Footprint



UNITED STATES – 15 States

114 Dealerships
76% of NV Unit Sales



WORLDWIDE:

- 173 Dealerships
- 227 Franchises
- 47 Collision Centers
- 32 Brands

U.K.

England:
43 Dealerships
19% of NV Unit Sales



BRAZIL

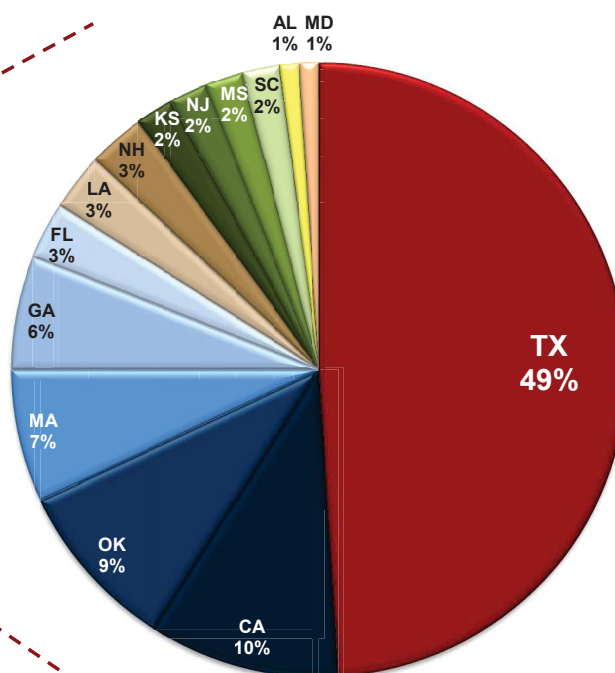
Mato Grosso do Sul, Paraná, São Paulo, and Santa Catarina
16 Dealerships
5% of NV Unit Sales



*As of July 27, 2017, percentage of sales based on 2Q17

www.group1auto.com

Geographic Diversity - 2Q17
(New Vehicle Unit Sales)



United States – 2Q17

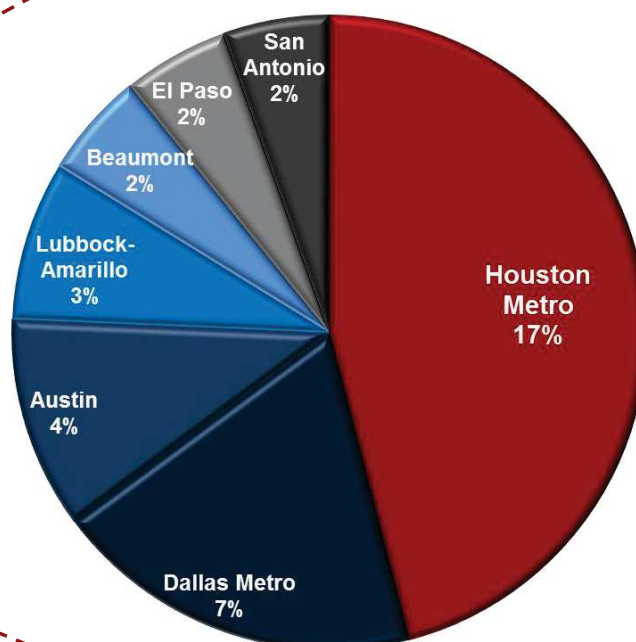
Geographic Diversity – Texas

Geographic Diversity - 2Q17
(New Vehicle Unit Sales)



**Texas
37%**

Texas – 2Q17

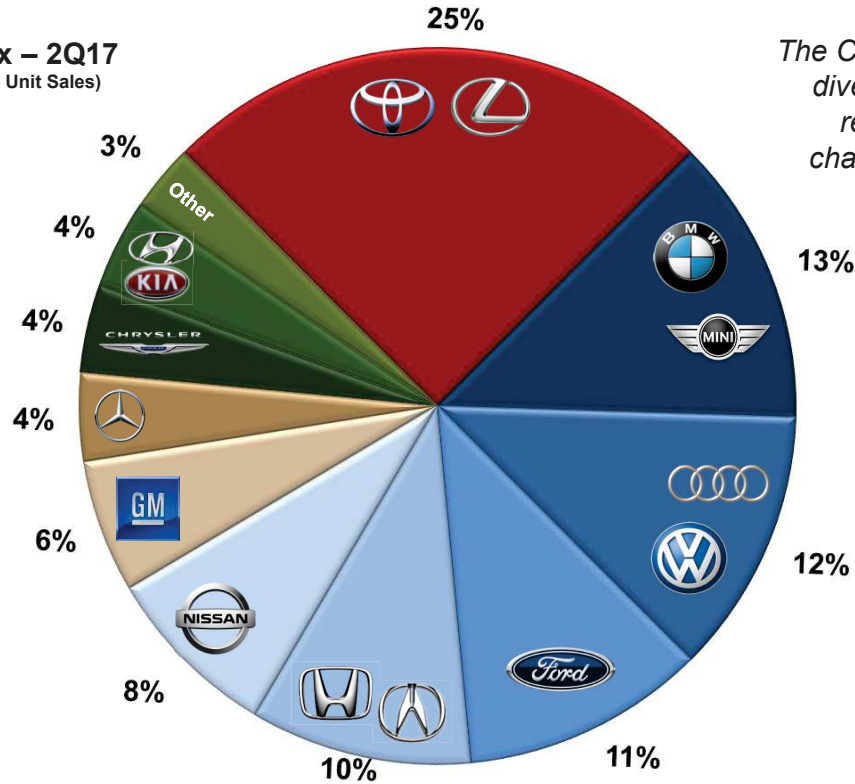


2Q17 Texas New Vehicle Unit Sales were down 6.4% on a Same Store basis

Well-Balanced Brand Portfolio

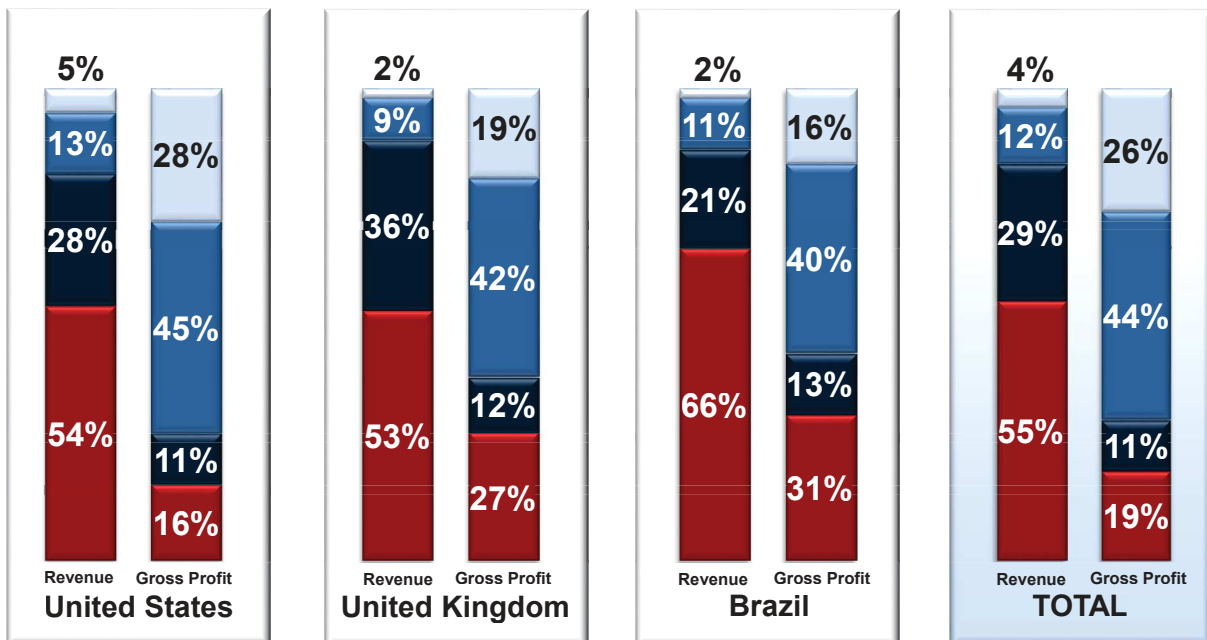


Brand Mix – 2Q17
(New Vehicle Unit Sales)



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

Business Mix Comp – 2Q17



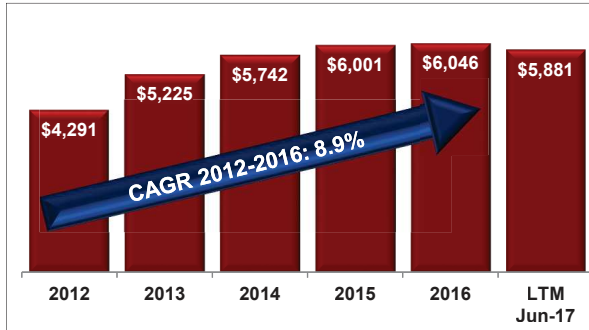
■ New Vehicles ■ Used Vehicles ■ Parts & Service ■ Finance & Insurance

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

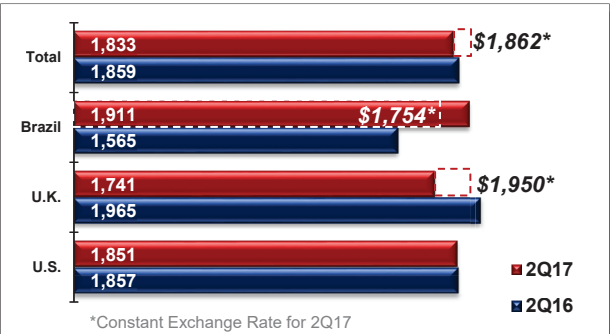
New Vehicles Overview



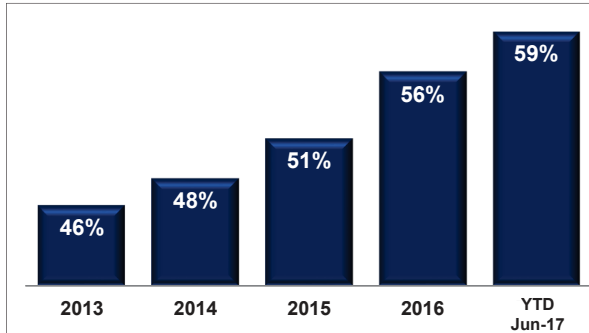
New vehicle revenue (\$mm)



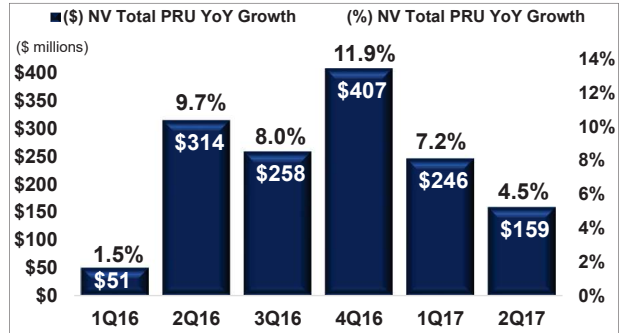
New vehicle gross profit per retail unit



U.S. new vehicle truck mix



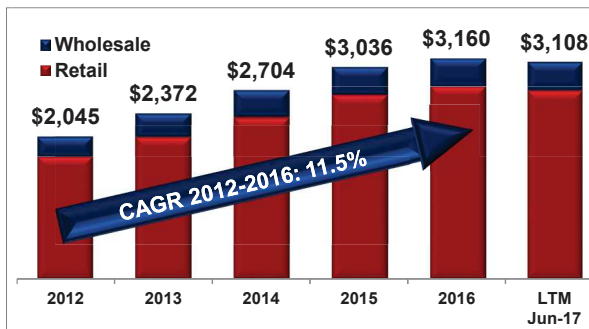
Year-over-year new vehicle total profit per retail unit growth



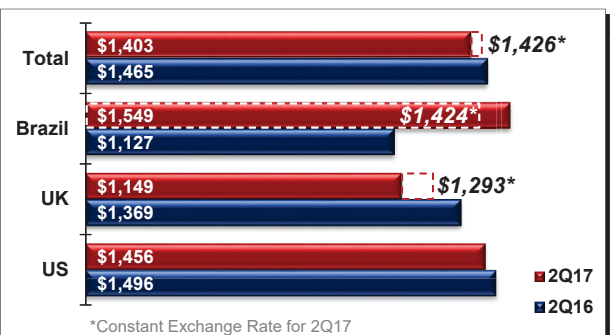
Used Vehicle Overview



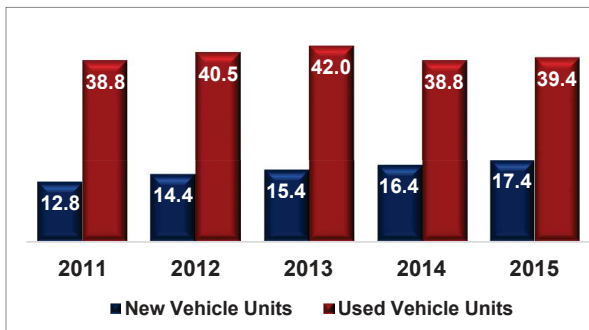
Used vehicle revenue (\$mm)



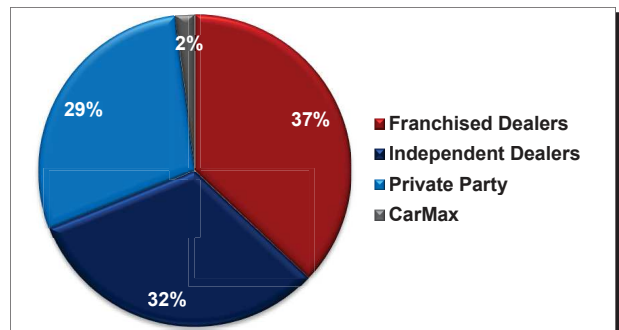
Retail used vehicle gross profit per retail unit



Used market size¹ (units in millions)



Used market share¹

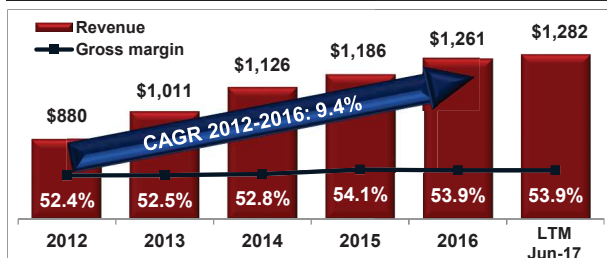


¹ Source: WardsAuto Group "U.S. Market Used Vehicle Sales" Report, 2015

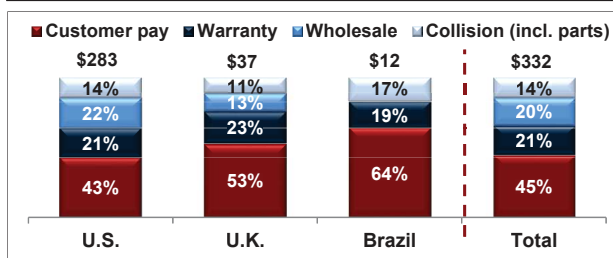
Parts & Service Overview



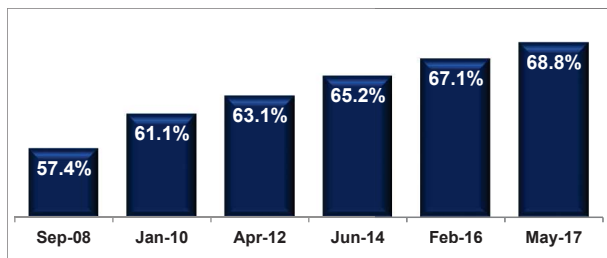
P&S revenue and gross margin (\$mm)



2Q17 P&S revenue (\$mm)



Service Retention Trend



Same store revenue growth*

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Customer Pay	5.6%	5.2%	3.3%	6.0%	4.8%	2.3%
Warranty	8.8%	4.3%	5.6%	6.9%	8.6%	15.9%
Wholesale	7.0%	4.8%	2.4%	0.7%	0.6%	1.9%
Collision (incl. parts)	11.3%	1.9%	4.6%	6.3%	4.2%	5.3%
% Growth	7.3%	4.5%	3.8%	5.1%	4.6%	5.3%

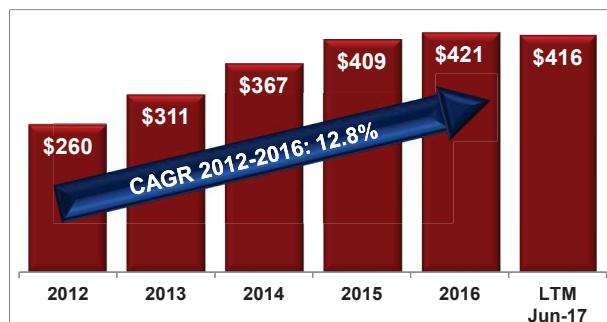
*In constant currency, as reported

- 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
- Focused on adding human capacity—since 2Q16, the Company's same store, net service advisor headcount has grown +6.0% in the U.S.

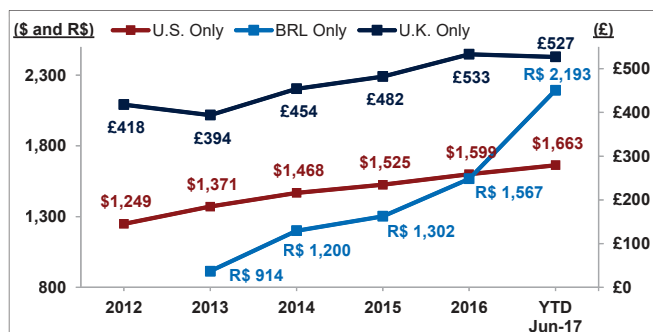
Finance & Insurance Overview



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 levels and full credit spectrum available
- Integration of 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 enhanced automotive lending practices

F&I gross penetration (%)

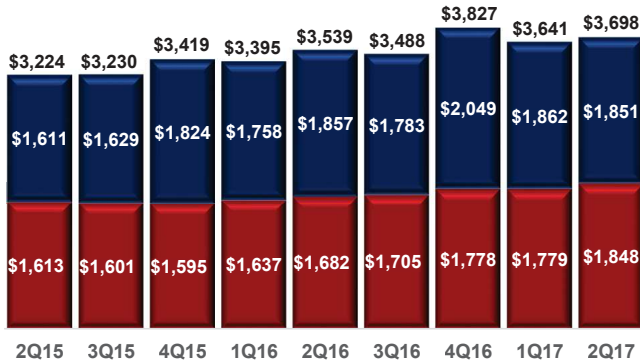
	2013	2014	2015	2016	2017 YTD			
					Consol.	US	UK	Brazil
Finance	69%	67%	67%	67%	64%	72%	42%	33%
VSC	34%	34%	32%	32%	32%	41%	4%	0%
Gap Ins.	22%	24%	27%	28%	29%	30%	31%	0%
Maintenance	8%	9%	10%	11%	11%	15%	0%	0%
Sealant	15%	18%	21%	22%	23%	24%	28%	0%
Gross Profit PRU	\$1,223	\$1,324	\$1,368	\$1,397	\$1,424	\$1,663	\$664	\$690

U.S. Total Vehicle Profitability



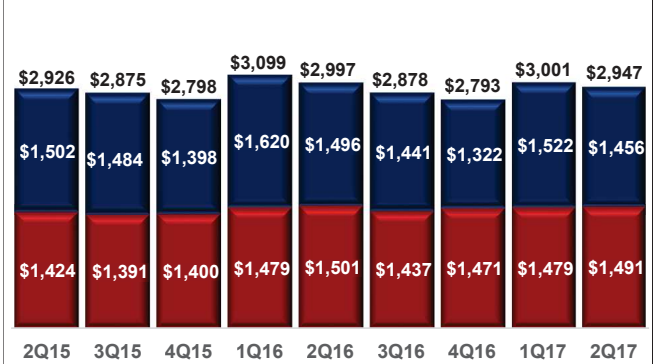
U.S. New Vehicle Profitability (\$)

■ NV F&I GP PRU ■ NV GP PRU



U.S. Used Vehicle Profitability (\$)

■ UV F&I GP PRU ■ UV GP PRU



Financial Overview

Consolidated Financial Results



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

	Three Months Ended				Six Months Ended			
	2Q17	2Q16	Change	C.C. ²	2Q17	2Q16	Change	C.C. ²
Revenues	\$ 2,672.2	\$ 2,782.4	-4.0%	-2.4%	\$ 5,191.0	\$ 5,390.8	-3.7%	-2.0%
Gross Profit	\$ 404.9	\$ 410.1	-1.3%	-0.1%	\$ 788.4	\$ 799.2	-1.4%	-0.1%
SG&A as a % of Gross Profit	73.7%	72.9%	80		74.6%	74.2%	40	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	73.5%	72.2%	130		74.7%	73.4%	130	
Operating Margin	3.5%	3.5%	0		3.3%	3.3%	0	
Adjusted Operating Margin ⁽¹⁾	3.5%	3.6%	-10		3.3%	3.5%	-20	
EBITDA	\$ 93.1	\$ 98.5	-5.5%		\$ 174.9	\$ 182.0	-3.9%	
Adjusted EBITDA ⁽¹⁾	\$ 94.0	\$ 102.5	-8.3%		\$ 174.0	\$ 189.6	-8.2%	
Total Interest Expense	\$ 30.5	\$ 28.3	\$ 2.2		\$ 59.5	\$ 56.2	\$ 3.3	
Net Income	\$ 39.1	\$ 46.6	-16.0%		\$ 73.1	\$ 80.9	-9.6%	
Adjusted Net Income ⁽¹⁾	\$ 39.8	\$ 47.4	-16.0%		\$ 72.6	\$ 84.5	-14.0%	
Diluted EPCS	\$ 1.84	\$ 2.12	-13.2%		\$ 3.42	\$ 3.57	-4.2%	
Adjusted Diluted EPCS ⁽¹⁾	\$ 1.87	\$ 2.16	-13.4%		\$ 3.40	\$ 3.73	-8.8%	

(1) See appendix for GAAP reconciliation
(2) Constant currency basis

Financial Results by Segment



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

	Three Months Ended			Six Months Ended		
	2Q17	2Q16	Change	2Q17	2Q16	Change
Revenues	\$ 2,123.7	\$ 2,207.4	-3.8%	\$ 4,091.4	\$ 4,289.0	-4.6%
Gross Profit	\$ 340.5	\$ 344.6	-1.2%	\$ 661.1	\$ 677.3	-2.4%
SG&A as a % of Gross Profit	71.6%	71.2%	40	72.6%	72.5%	10
Adj. SG&A as a % of Gross Profit ⁽¹⁾	71.4%	70.3%	110	72.8%	71.8%	100
Operating Margin	4.0%	4.0%	0	3.8%	3.8%	0
Adjusted Operating Margin ⁽¹⁾	4.0%	4.1%	-10	3.8%	4.0%	-20
Total Interest Expense	\$ 28.6	\$ 25.8	\$ 2.8	\$ 55.8	\$ 51.3	\$ 4.5
Pretax Margin	2.6%	2.8%	-20	2.5%	2.6%	-10
Adjusted Pretax Margin ⁽¹⁾	2.7%	3.0%	-30	2.5%	2.8%	-30

(1) See appendix for GAAP reconciliation

Financial Results by Segment



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

	Three Months Ended				Six Months Ended			
	2Q17	2Q16	Change	C.C. ²	2Q17	2Q16	Change	C.C. ²
Revenues	\$ 437.1	\$ 467.8	-6.6%	4.7%	\$ 887.4	\$ 899.7	-1.4%	12.3%
Gross Profit	\$ 50.9	\$ 54.3	-6.3%	5.0%	\$ 101.2	\$ 101.1	0.2%	14.0%
SG&A as a % of Gross Profit	83.4%	77.5%	590		83.1%	78.7%	440	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	82.8%	77.5%	530		82.8%	78.1%	470	
Operating Margin	1.5%	2.2%	-70		1.5%	2.0%	-50	
Adjusted Operating Margin ⁽¹⁾	1.6%	2.2%	-60		1.6%	2.1%	-50	
Total Interest Expense	\$ 1.7	\$ 2.5	\$ (0.8)		\$ 3.4	\$ 4.7	\$ (1.3)	
Pretax Margin	1.1%	1.7%	-60		1.2%	1.5%	-30	
Adjusted Pretax Margin ⁽¹⁾	1.2%	1.7%	-50		1.2%	1.6%	-40	

Financial Results - Brazil (\$ in millions)

	Three Months Ended				Six Months Ended			
	2Q17	2Q16	Change	C.C. ²	2Q17	2Q16	Change	C.C. ²
Revenues	\$ 111.4	\$ 107.3	3.8%	-4.7%	\$ 212.2	\$ 202.1	5.0%	-9.4%
Gross Profit	\$ 13.5	\$ 11.2	20.5%	10.5%	\$ 26.1	\$ 20.8	25.3%	8.1%
SG&A as a % of Gross Profit	91.0%	102.9%	-1,190		92.5%	105.2%	-1,270	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	91.0%	102.9%	-1,190		92.5%	103.4%	-1,090	
Operating Margin	0.8%	-0.6%	140		0.6%	-1.0%	160	
Adjusted Operating Margin ⁽¹⁾	0.8%	-0.6%	140		0.6%	-0.6%	120	
Total Interest Expense	\$ 0.2	\$ -	\$ 0.2		\$ 0.3	\$ 0.2	\$ 0.1	
Pretax Margin	0.6%	-0.6%	120		0.4%	-1.1%	150	
Adjusted Pretax Margin ⁽¹⁾	0.6%	-0.6%	120		0.4%	-0.7%	110	

(1) See appendix for GAAP reconciliation

(2) Constant currency basis

Same Store Financial Results



Same Store Financial Results - Consolidated (\$ in thousands)

	Three Months Ended				Six Months Ended			
	2Q17	2Q16	Change	C.C. ¹	2Q17	2Q16	Change	C.C. ¹
Revenues:								
New vehicle retail	\$ 1,438,047	\$ 1,516,766	-5.2%	-3.8%	\$ 2,732,511	\$ 2,887,567	-5.4%	-3.8%
Used vehicle retail	677,701	703,128	-3.6%	-1.8%	1,314,103	1,370,057	-4.1%	-2.4%
Used vehicle wholesale	98,244	94,509	4.0%	7.5%	196,196	190,512	3.0%	6.5%
Total used	\$ 775,945	\$ 797,637	-2.7%	-0.7%	\$ 1,510,299	\$ 1,560,569	-3.2%	-1.3%
Parts and service	329,798	316,549	4.2%	5.3%	639,421	614,923	4.0%	4.9%
Finance and insurance	105,338	105,626	-0.3%	0.6%	200,036	203,520	-1.7%	-0.8%
Total	\$ 2,649,128	\$ 2,736,578	-3.2%	-1.7%	\$ 5,082,267	\$ 5,266,579	-3.5%	-1.9%
Gross Profit	\$ 401,982	\$ 404,069	-0.5%	0.7%	\$ 775,207	\$ 783,127	-1.0%	0.1%

¹ Constant currency basis



Balance Sheet

GROUP 1 AUTOMOTIVE®

Summary Balance Sheet



Summary Balance Sheet \$ in thousands

	As of 6/30/2017	As of 12/31/2016
Cash and cash equivalents ⁽¹⁾	\$ 26,573	\$ 20,992
Contracts In Transit and vehicle receivables, net	\$ 217,378	\$ 269,508
Inventories, net	\$ 1,803,909	\$ 1,651,815
Total current assets	\$ 2,293,872	\$ 2,150,587
Total assets	\$ 4,644,585	\$ 4,461,903
Floorplan notes payable	\$ 1,644,703	\$ 1,529,315
Offset account related to credit facility ⁽¹⁾	\$ (76,579)	\$ (85,126)
Other current liabilities	\$ 558,730	\$ 608,928
Total current liabilities	\$ 2,126,854	\$ 2,053,117
Long-Term Debt, net of current maturities	\$ 1,263,845	\$ 1,212,809
Total stockholder's equity	\$ 971,648	\$ 930,200

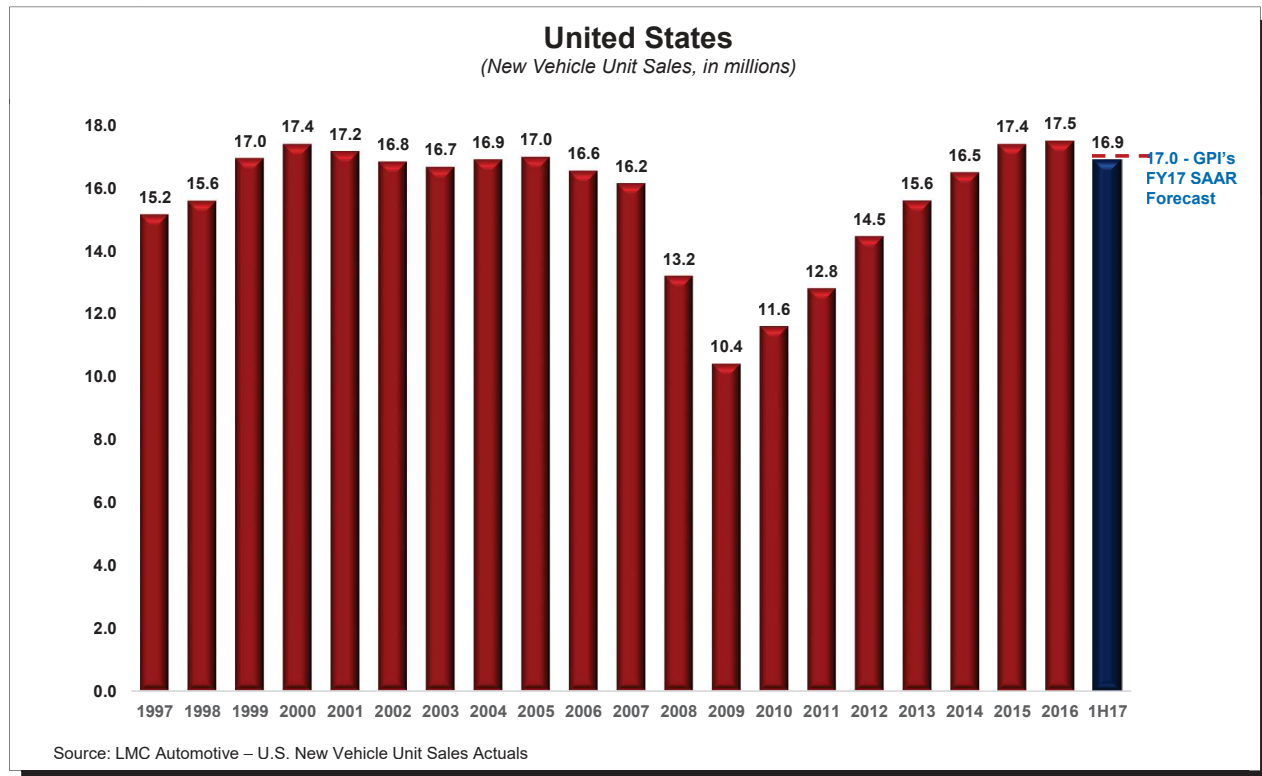
(1) Available cash of \$103.2 million is total of cash and cash equivalents plus the U.S. offset account related to floorplan credit facilities. The U.S. offset account is amount of excess cash that is used to paydown floorplan credit facilities but can be immediately redrawn against inventory.

(in millions)	Maturity Date	As of June 30, 2017		Funding Capacity
		Actual	Available Liquidity	
Cash and cash equivalents		\$ 26.6	\$ 26.6	
Short-Term Debt				
Inventory Financing ⁽¹⁾	2021	\$ 1,311.2	\$ 76.6	\$ 1,740.0
Other Vehicles Financing ⁽²⁾		256.9		
Current Maturities - Long-Term Debt		53.2		
		<u>\$ 1,621.3</u>	<u>\$ 76.6</u>	<u>\$ 1,740.0</u>
Available Cash			\$ 103.2 ⁽⁴⁾	
Long-Term Debt				
Acquisition Line of Credit ^(1,3)	2021	32.5	298.8	360.0
5.00% Senior Unsecured Notes (Face: \$550.0 Million)	2022	541.3		
5.25% Senior Unsecured Notes (Face: \$300.0 Million)	2023	295.9		
Real Estate	2017 - 2034	386.3		
Other	2017	7.9		
Total Long-Term Debt		<u>\$ 1,263.9</u>		
Total Debt		<u>\$ 2,885.2</u>		
			<u>\$ 402.0</u>	<u>\$ 2,100.0</u>

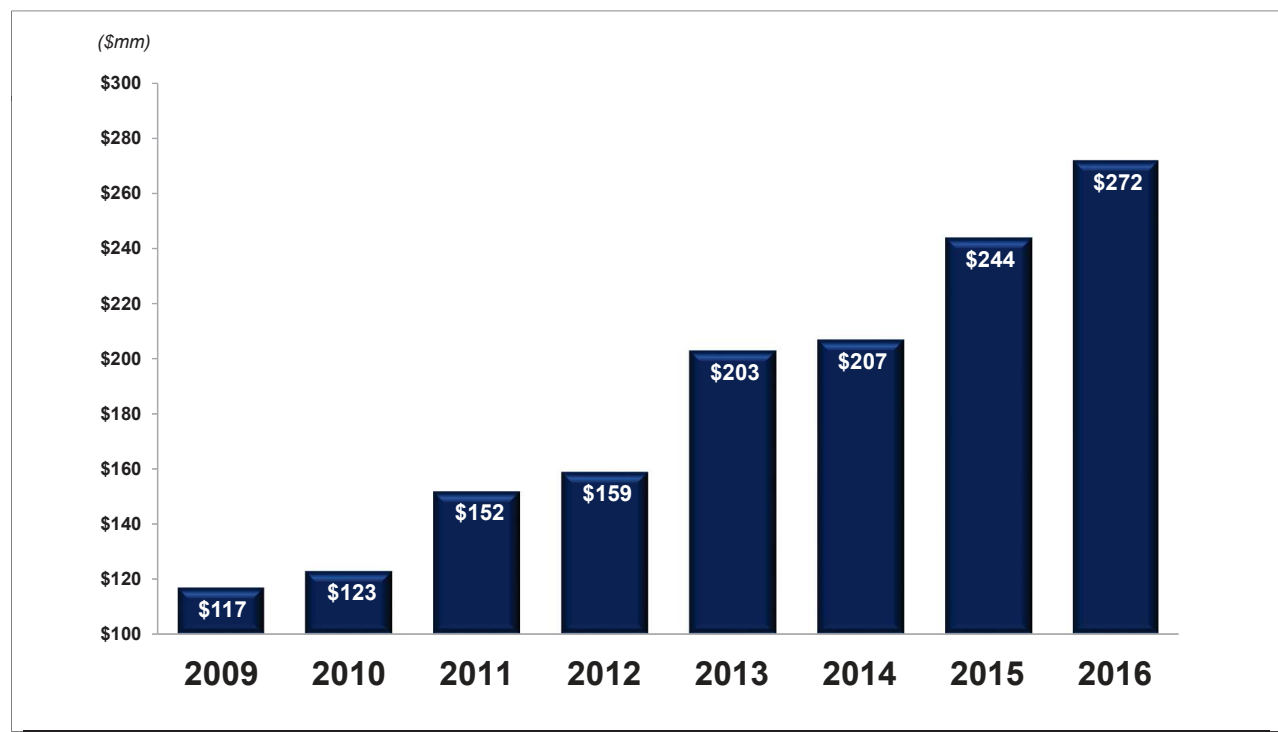
- 1) The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated within the overall \$1.8 billion commitment. Further, the borrowings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
- 2) Borrowings with manufacturer 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 June 30, 2017 considers the \$29.3 million of letters of credit outstanding, as well as the outstanding borrowings of £25.0 million translated at the spot rate on the day of the borrowing (or \$31.9 million).
- 4) Available cash of \$103.2 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.



Growth Outlook



Adjusted Operating Cash Flow

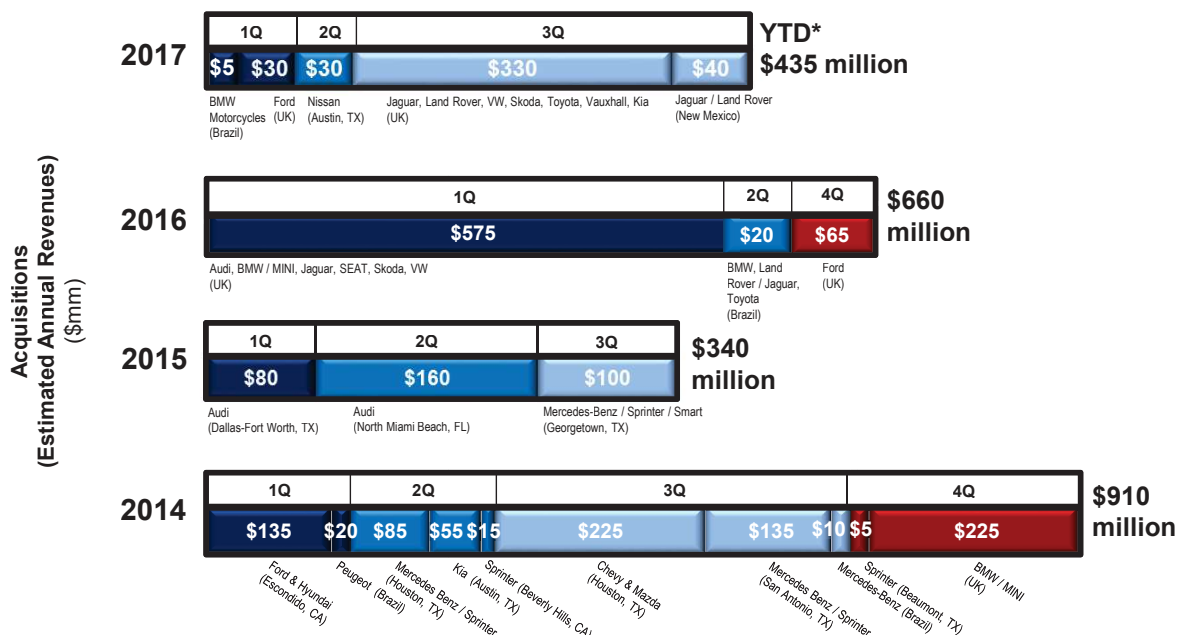


- **Acquisitions that clear return hurdles**
 - 10% after-tax discounted cash flows
- **Return cash to stockholders**
 - **Quarterly Cash Dividend**
 - \$0.24 per share
 - **2017 Share Repurchases:**
 - 629,298 shares at average price of \$62.01
 - 3% of outstanding shares
 - **Repurchase Authorization:**
 - \$50.7 million remains under Board authorization of \$75 million



Acquisition Strategy

- 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% after-tax discounted cash flow)

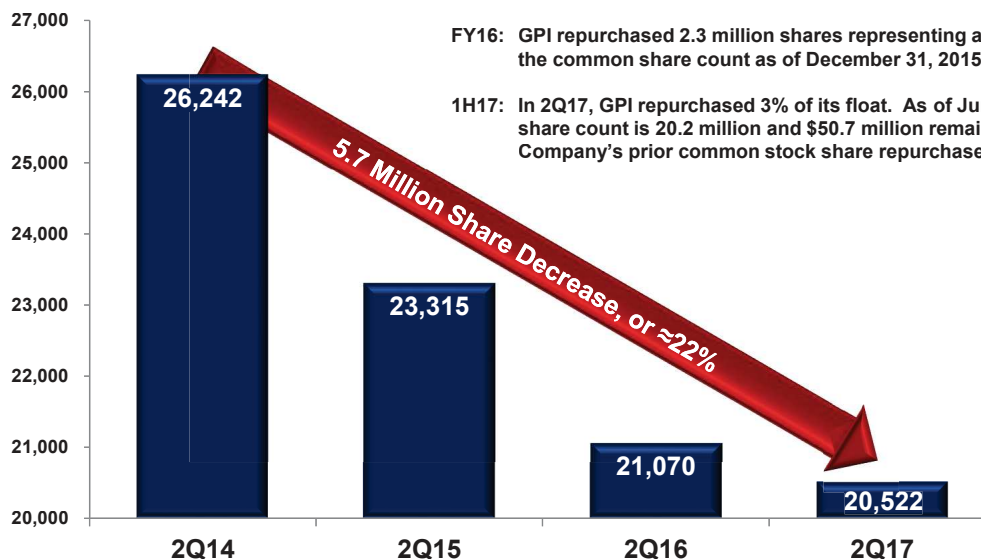


*As of July 27, 2017

Diluted Common Share Count



GPI Weighted Average
Common Shares
(in thousands)



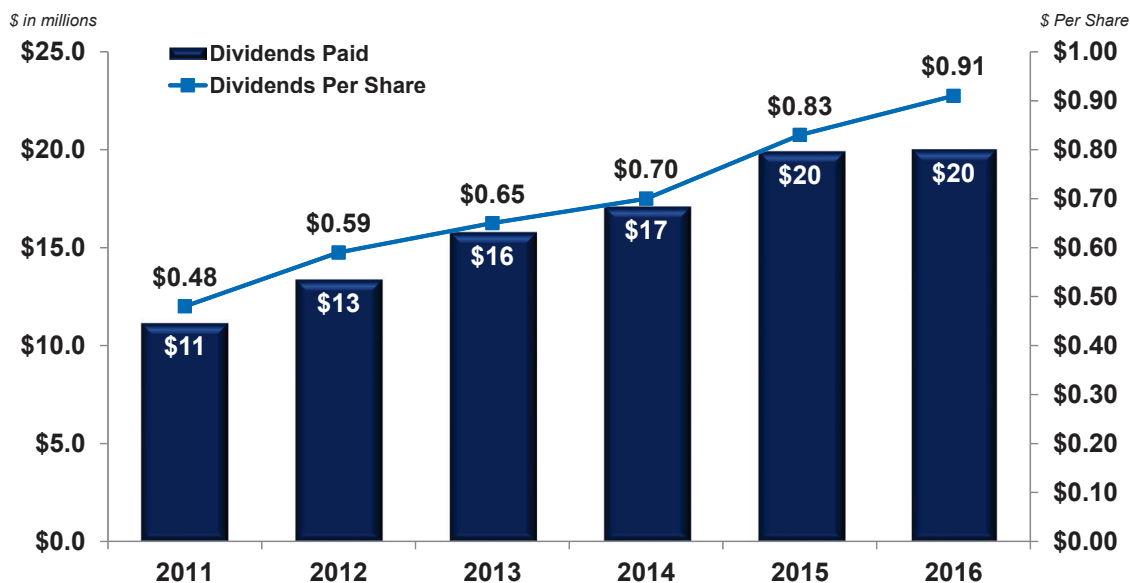
FY14: In 2Q14, GPI repurchased 80% of its 3% Convertible Notes, reducing share count by approximately 1.9 million. In 3Q14, GPI repurchased the remaining 3% Convertible Notes and extinguished all of the 2.25% Convertible Notes, reducing share count by approximately 800 thousand.

FY15: GPI repurchased approximately 1.2 million shares.

FY16: GPI repurchased 2.3 million shares representing a 10 percent reduction from the common share count as of December 31, 2015.

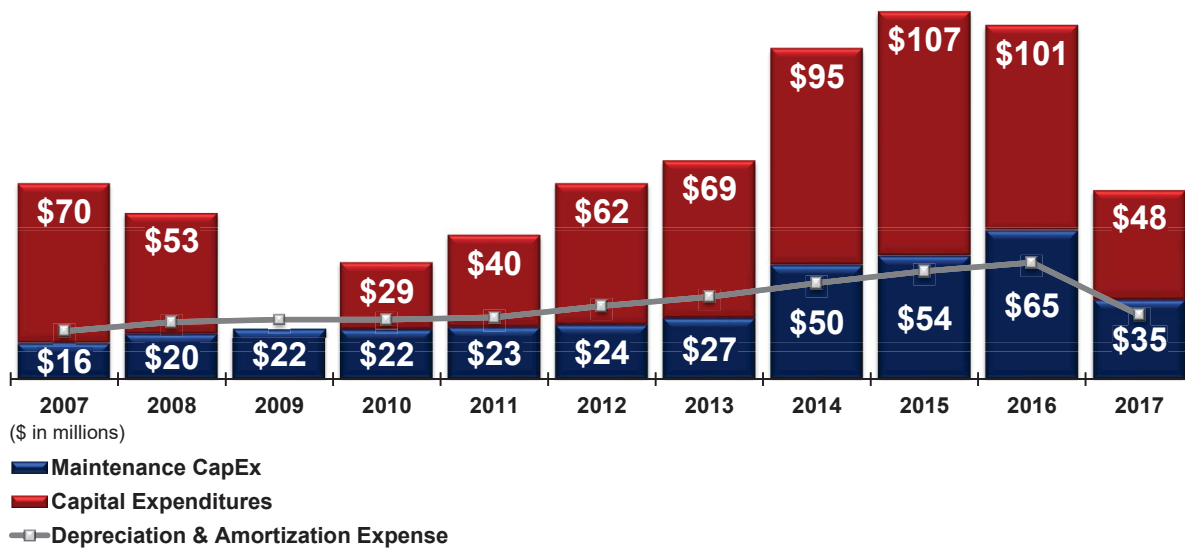
1H17: In 2Q17, GPI repurchased 3% of its float. As of June 30, 2017, the Company's share count is 20.2 million and \$50.7 million remains available under the Company's prior common stock share repurchase authorization.

Dividends



- In both 1Q17 and 2Q17, the Company paid quarterly cash dividends of \$0.24 per share.

Capital Expenditures



- 2017 CapEx projected to be less than \$120 million
 - Working with our manufacturer partners to limit spending

Real Estate Strategy

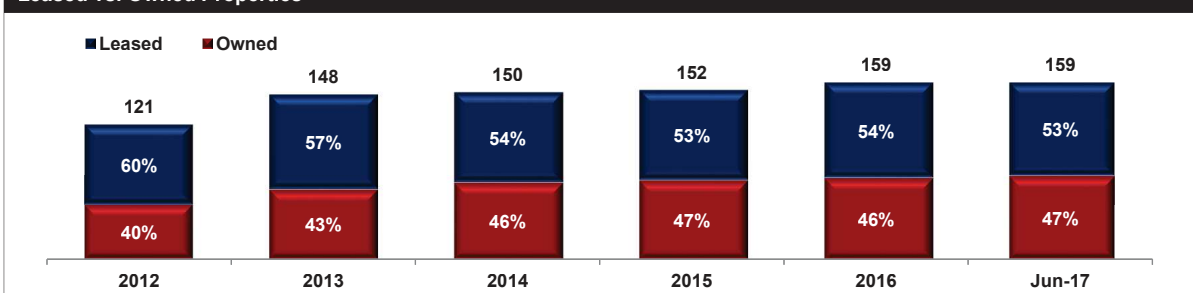


- GPI is shifting toward owning its real estate:
 - Control of dealership real estate is a strong strategic asset
 - Ownership means better flexibility and lower cost
 - The Company looks for opportunistic real estate acquisitions in strategic locations
- As of June 30, 2017, the Company owns approximately \$925 million of real estate (47% of dealership locations) financed through approximately \$380 million of mortgage debt

Dealership property breakdown by region
(as of June 30, 2017)

Geographic Location	Dealerships	
	Owned	Leased
United States	58	54
United Kingdom	15	16
Brazil	2	14
Total	75	84

Leased vs. Owned Properties





Conclusion

GROUP 1 AUTOMOTIVE®

Why GPI?



- 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
- Opportunistic capital allocation
- Operational growth and leverage
 - 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



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

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



Frank Grese Jr. – Senior Vice President, Human Resources, Training and Operations Support

(December 2004)

- 40+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Nissan Motor Corporation in U.S.A.; AutoNation; Van Tuyl



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

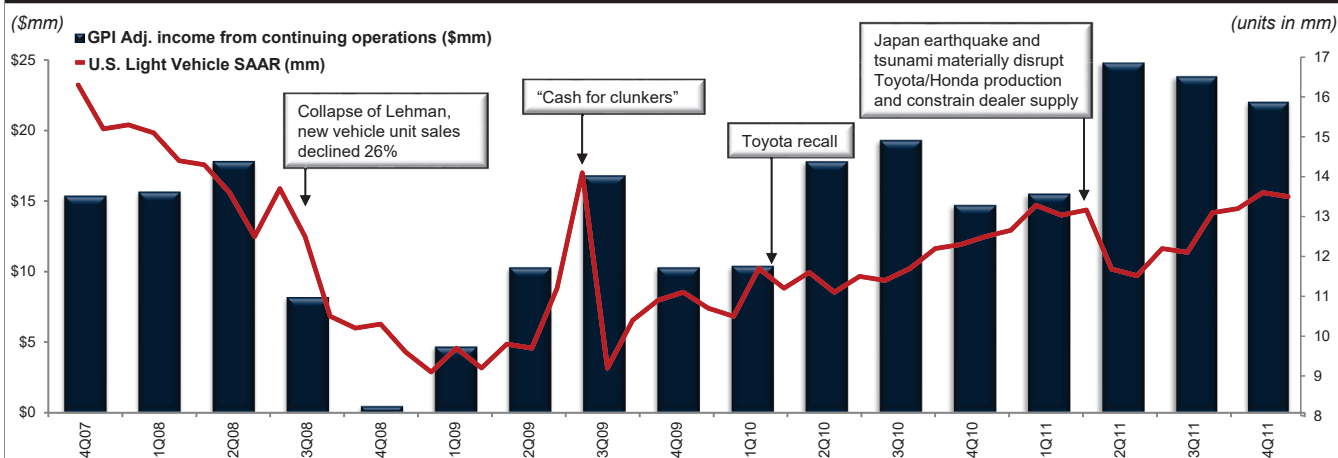


Michael Jones – Vice President, Fixed Operations

(April 2007)

- 40+ Years Industry Experience
- Automotive-related Experience: Fixed Operations - Asbury Automotive; David McDavid Automotive Group; Ryan Automotive Group

Profitable Throughout Downturn



(\$mm)	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Quarterly Revenue	\$1,134	\$1,020	\$1,109	\$1,247	\$1,150	\$1,191	\$1,419	\$1,462	\$1,438	\$1,409	\$1,474	\$1,570	\$1,626
Quarterly Adjusted EBITDA*	\$16	\$21	\$31	\$42	\$29	\$31	\$41	\$45	\$37	\$39	\$55	\$54	\$51
Quarterly Adjusted EBIT*	\$10	\$15	\$24	\$35	\$23	\$24	\$34	\$38	\$31	\$33	\$48	\$47	\$44
Quarterly Adjusted Net Income*	\$1	\$5	\$10	\$17	\$10	\$10	\$18	\$19	\$15	\$16	\$25	\$24	\$22
LTM Adjusted EBITDAR*	\$183	\$163	\$149	\$162	\$174	\$183	\$194	\$196	\$205	\$213	\$225	\$233	\$247
Total Rent-Adj. Debt ¹ / Adj. EBITDAR*	5.7x	6.1x	6.4x	5.7x	5.3x	5.1x	4.8x	4.8x	4.7x	4.5x	4.2x	4.1x	3.9x

¹ Total debt + 8x rent expense
* See appendix for reconciliations

	Actual	Variable %
Vehicle Financing	\$1,568.1	92.8%
Real Estate & Other Debt ⁽³⁾	\$479.9	42.2%
Senior Notes ⁽¹⁾	\$850.0	0.00%
<hr/>		
SWAPS ⁽²⁾⁽³⁾	\$750.0	

⁽¹⁾ Face Value
⁽²⁾ SWAPS range from \$100-\$850 million through 2030, see slide 38 for more details
⁽³⁾ Variable percentage adjusted for \$69M of real estate interest rate SWAPS. SWAPS exclude real estate interest rate SWAPS.

- **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
 - 89% 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

SWAPS: Interest Expense Impact

INTEREST RATE SWAP LAYERS

\$'s in millions

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022-2025</u>	<u>2026-2030</u>
Average Swap Balance	\$550	\$550	\$750	\$750	\$850	\$500	\$375	\$125	\$100
Interest Expense	\$13.2	\$12.7	-	-	-	-	-	-	-
Average Interest Rate	2.57%	2.76%	2.62%	2.68%	2.33%	2.26%	1.78%	1.81%	1.85%

Note: Amortizing SWAPS associated with specific mortgages are excluded.



Brazil

GROUP 1 AUTOMOTIVE®

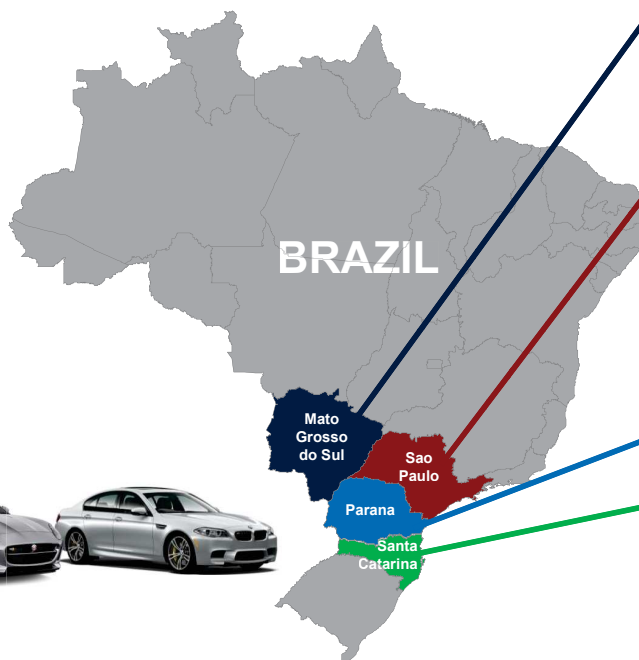
Brazil Locations



Group 1 is aligned with growing brands in Brazil.

16 Dealerships (21 Franchises):

- BMW (5)
- Honda (4)
- Jaguar (3)
- Land Rover (3)
- Toyota (3)
- MINI (2)
- Mercedes-Benz (1)



Mato Grosso do Sul Location

- Campo Grande

São Paulo Locations

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

Paraná Locations

- Cascavel
- Curitiba
- Londrina
- Maringá

Santa Catarina Location

- Joinville

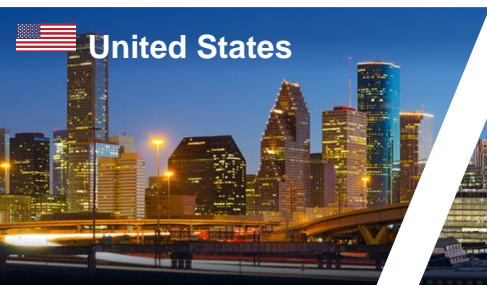




U.K. Locations



Page 22 of 38



United States



United Kingdom



Brazil

GROUP 1 AUTOMOTIVE®

Reconciliations

The following section contains reconciliations of data denoted within this presentation.

RECONCILIATION: Quarterly Adjusted EBIT, EBITDA, EBITDAR



Three months ended,

(\$mm)	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
Net Income from continuing operations	\$16	\$17	(\$22)	(\$57)	\$8	\$10	\$18	(\$2)	\$8	\$13	\$19	\$11	\$15	\$25	\$21	\$21
Provision for income taxes	10	11	(13)	(39)	6	6	10	(2)	5	8	12	6	9	15	13	13
Other interest expense, net	10	9	9	9	7	8	7	7	7	6	7	7	8	8	9	9
Non-Cash asset impairment charges	-	-	48	115	-	2	1	18	-	1	2	8	0	0	4	1
Mortgage debt refinancing charges	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
(Gain) Loss on real estate and dealership transactions	-	1	0	-	1	(1)	-	1	-	5	(1)	-	-	-	-	-
(Gain) Loss of debt redemption	(0)	-	(0)	(17)	(7)	(1)	(1)	-	4	-	-	-	-	-	-	-
Severance costs	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-
Legal settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBIT	\$35	\$38	\$23	\$10	\$15	\$24	\$35	\$23	\$24	\$34	\$38	\$31	\$33	\$48	\$47	\$44
Depreciation Amortization expense	6	6	7	7	6	6	7	6	6	7	7	7	6	7	7	7
Adjusted EBITDA	\$41	\$45	\$29	\$16	\$21	\$31	\$42	\$29	\$31	\$41	\$45	\$37	\$39	\$55	\$54	\$51
G&A Rent Expense	14	13	13	13	13	13	13	13	13	13	13	13	12	12	12	12
Adjusted EBITDAR	\$54	\$58	\$42	\$29	\$34	\$43	\$55	\$41	\$43	\$54	\$57	\$50	\$51	\$67	\$66	\$63

Note: One time charges are pre-tax

RECONCILIATION: Quarterly Adjusted Net Income



(\$mm)	Three months ended,												
	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
Net Income	(\$57)	\$8	\$10	\$18	(\$2)	\$8	\$13	\$19	\$11	\$15	\$25	\$21	\$21
Non-Cash asset impairment charges	67	-	1	0	12	-	1	1	5	0	0	2	0
Mortgage debt refinance charges	-	-	0	-	-	-	-	-	-	-	-	-	-
(Gain) Loss on real estate and dealership transactions	-	1	(1)	-	1	-	4	(1)	-	-	-	-	-
(Gain) Loss of debt redemption	(9)	(4)	(0)	(0)	-	2	-	-	-	-	-	-	-
Severance costs	-	-	-	-	-	-	0	-	-	-	-	-	-
Income tax effect	-	-	-	(2)	-	-	-	-	(1)	-	-	-	-
Legal Settlement	-	-	-	-	-	-	-	-	-	-	-	-	1
Adjusted Net Income	\$1	\$5	\$10	\$17	\$10	\$10	\$18	\$19	\$15	\$16	\$25	\$24	\$22

Note: One time charges are after-tax

Note: One time charges are after-tax

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

EBITDA RECONCILIATION:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$ 39.1	\$ 46.6	\$ 73.1	\$ 80.9
Other interest expense, net ⁽¹⁾	17.3	16.7	34.3	33.6
Depreciation and amortization expense	14.1	12.7	27.7	25.2
Non-cash asset impairment charges	-	1.0	-	2.0
Acquisition costs	0.3	-	0.3	0.6
Catastrophic events	0.6	2.8	0.6	5.4
Net loss (gain) on real estate and dealership transactions	-	0.3	-	(0.3)
Legal settlements	-	-	(1.8)	-
Income tax expense	22.6	22.5	39.8	42.3
Adjusted EBITDA ⁽²⁾	\$ 94.0	\$ 102.5	\$ 174.0	\$ 189.6

(1) Excludes Floorplan interest expense

(2) Adjusted EBITDA is defined as income (loss) plus loss on redemption 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, deal costs, 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:

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
After-tax Adjustments ⁽¹⁾ :												
Non-cash asset impairment charges	-	950	1,033	4,947	140	85	2,309	461	-	115	-	4,277
(Gain) loss on real estate and dealership transactions	-	3,698	(761)	-	-	-	-	-	-	(659)	-	(276)
(Gain) loss on repurchase of long-term debt	2,458	-	-	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	(810)	-	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	1,658	-	1,219
Severance costs	-	405	-	-	-	-	-	-	-	-	-	548
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	-	1,111
Valuation allowance for certain deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	641	-	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted net income ⁽²⁾	\$ 10,439	\$ 17,822	\$ 19,257	\$ 14,706	\$ 15,502	\$ 24,768	\$ 23,803	\$ 21,957	\$ 23,117	\$ 29,739	\$ 31,335	\$ 24,011

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
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
Adjusted net income available to diluted common shares	\$ 9,842	\$ 16,822	\$ 18,054	\$ 13,921	\$ 14,584	\$ 23,344	\$ 22,411	\$ 20,775	\$ 21,952	\$ 28,102	\$ 29,694	\$ 22,945

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

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
After-tax Adjustments:																								
Non-cash asset impairment charges		-		0.04		0.04		0.21		-		-		0.10		0.02		-		0.01		-		0.18
(Gain) loss on real estate and dealership transactions			0.15		-	(0.03)		-		-		-		-		-		-		(0.03)		-		(0.01)
(Gain) loss on repurchase of long-term debt		0.11		-		-		-		-		-		-		-		-		-		-		-
Income tax benefit related to tax elections for prior periods		-		-		-		(0.04)		-		-		-		-		-		0.07		-		-
Catastrophic events		-		-		-		-		-		-		-		-		-		-		-		-
Severance costs		-		0.02		-		-		-		-		-		-		-		-		-		0.05
Acquisition costs including related tax impact		-		-		-		-		-		-		-		-		-		-		-		0.05
Valuation allowance for certain deferred tax assets		-		-		-		-		-		-		-		-		-		-		-		-
Legal settlements		-		-		-		-		-		-		-		0.02		-		-		-		-
Foreign transaction tax		-		-		-		-		-		-		-		-		-		-		-		-
Foreign deferred income tax benefit		-		-		-		-		-		-		-		-		-		-		-		-
Adjusted diluted income per share ⁽²⁾	\$	0.43	\$	0.73	\$	0.80	\$	0.62	\$	0.64	\$	1.03	\$	1.01	\$	0.94	\$	0.97	\$	1.25	\$	1.32	\$	0.99
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
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
Total weighted average shares outstanding		24,561		24,482		23,928		23,751		24,186		24,044		23,611		23,316		23,741		23,830		23,703		24,335

⁽¹⁾ Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings release schedules for specific tax benefit or tax provision information.

⁽²⁾ 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 unaudited 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.

Group 1 Automotive, Inc.

Three Months Ended:

	\$	22,118	\$	37,388	\$	32,765	\$	21,721	\$	31,303	\$	16,862	\$	26,162	\$	18,677	\$	35,815	\$	46,310	\$	45,261	\$	(33,387)	\$	34,291	\$	46,580	\$	35,366	\$	30,828	\$	33,939	\$	39,133	
reported	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-
After-tax Adjustments ⁽¹⁾ :																																					
Non-cash asset impairment charges	-		369		349		3,319		1,067		6,559		19,878		848		72,798		315		633		6,746		12,756		-		-		-		-		-		-
(Gain) loss on real estate and dealership transactions	(356)		(4,785)		(230)		-		(316)		(8,572)		1,550		(601)		(4,357)		212		156		(696)		(265)		-		-		-		-		-		-
(Gain) loss on repurchase of long-term debt	-		-		-		-		20,778		17,934		-		-		-		-		-		-		-		-		-		-		-		-		-
Income tax benefit related to tax elections for prior periods	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Catastrophic events	504		6,757		158		-		1,039		671		-		593		398		1,659		1,727		281		-		393		-		-		-		-		-
Severance costs	-		-		-		237		-		388		385		167		220		578		-		-		1,249		-		-		-		-		-		-
Acquisition costs including related tax impact	-		-		-		-		-		-		188		-		-		-		-		-		-		-		-		-		-		-		-
Valuation allowances for certain deferred tax assets	6,968		-		(630)		3,629		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Legal settlements	-		-		-		-		274		-		274		610		-		-		-		-		-		-		-		-		-		-		-
Foreign transaction tax	-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Foreign deferred income tax benefit	-		-		-		-		-		(3,358)		-		-		-		-		-		-		-		-		-		-		-		-		-
Adjusted net income ⁽²⁾	\$	29,234	\$	39,729	\$	32,866	\$	28,906	\$	31,303	\$	39,978	\$	39,784	\$	40,678	\$	35,815	\$	47,927	\$	46,037	\$	35,672	\$	37,055	\$	47,410	\$	37,256	\$	33,802	\$	35,939	\$	39,133	

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

																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					</
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

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

[illegible]

Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings releases schedules for specific tax benefit or tax provision information.

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.

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

	Three Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 243,844	\$ 245,389	(0.6)
Pre-tax adjustments:			
Catastrophic events	(643)	(2,769)	
Loss on real estate and dealership transactions	—	(250)	
Adjusted SG&A ⁽¹⁾	\$ 243,201	\$ 242,370	0.3
SG&A AS % REVENUES:			
Unadjusted	11.5	11.1	
Adjusted ⁽¹⁾	11.5	11.0	
SG&A AS % GROSS PROFIT:			
Unadjusted	71.6	71.2	
Adjusted ⁽¹⁾	71.4	70.3	
OPERATING MARGIN %:			
Unadjusted	4.0	4.0	
Adjusted ^{(1),(2)}	4.0	4.1	
PRETAX MARGIN %:			
Unadjusted	2.6	2.8	
Adjusted ^{(1),(2)}	2.7	3.0	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 242,734	\$ 240,987	0.7
Pre-tax adjustments:			
Catastrophic events	(643)	(2,769)	
Loss on real estate and dealership transactions	—	(250)	
Adjusted Same Store SG&A ⁽¹⁾	\$ 242,091	\$ 237,968	1.7
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.5	11.1	
Adjusted ⁽¹⁾	11.4	10.9	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	71.5	70.9	
Adjusted ⁽¹⁾	71.3	70.0	
SAME STORE OPERATING MARGIN %:			
Unadjusted	4.0	4.0	
Adjusted ^{(1),(3)}	4.1	4.2	

Six Months Ended June 30,			
	2017	2016	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 480,117	\$ 491,229	(2.3)
Pre-tax adjustments:			
Catastrophic events	(643)	(5,423)	
Gain on real estate and dealership transactions	—	680	
Acquisition costs	—	(30)	
Legal settlements ⁽⁴⁾	1,833	—	
Adjusted SG&A ⁽¹⁾	\$ 481,307	\$ 486,456	(1.1)
SG&A AS % REVENUES:			
Unadjusted	11.7	11.5	
Adjusted ⁽¹⁾	11.8	11.3	
SG&A AS % GROSS PROFIT:			
Unadjusted	72.6	72.5	
Adjusted ⁽¹⁾	72.8	71.8	
OPERATING MARGIN %:			
Unadjusted	3.8	3.8	
Adjusted ^{(1),(2)}	3.8	4.0	
PRETAX MARGIN %:			
Unadjusted	2.5	2.6	
Adjusted ^{(1),(2)}	2.5	2.8	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 478,685	\$ 482,012	(0.7)
Pre-tax adjustments:			
Catastrophic events	(643)	(5,423)	
Loss on real estate and dealership transactions	—	(385)	
Acquisition costs	—	(30)	
Legal settlements ⁽⁴⁾	1,833	—	
Adjusted Same Store SG&A ⁽¹⁾	\$ 479,875	\$ 476,174	0.8
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.7	11.4	
Adjusted ⁽¹⁾	11.7	11.3	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	72.6	72.2	
Adjusted ⁽¹⁾	72.7	71.3	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.9	3.9	
Adjusted ^{(1),(3)}	3.8	4.0	

(1) See the section of this release entitled "Non-GAAP Financial Measures " for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.

(2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,534 for the three and six months ended June 30, 2016, respectively.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,534 for the three and six months ended June 30, 2016, respectively.

(4) For the six months ended June 30, 2017, the Company recognized a net pre-tax gain related to a settlement with an OEM of \$1.8 million.

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

	Three Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 42,456	\$ 42,109	0.8
Pre-tax adjustments:			
Acquisition costs	(288)	—	
Adjusted SG&A ⁽¹⁾	\$ 42,168	\$ 42,109	0.1
SG&A AS % REVENUES:			
Unadjusted	9.7	9.0	
Adjusted ⁽¹⁾	9.6	9.0	
SG&A AS % GROSS PROFIT:			
Unadjusted	83.4	77.5	
Adjusted ⁽¹⁾	82.8	77.5	
OPERATING MARGIN %:			
Unadjusted	1.5	2.2	
Adjusted ⁽¹⁾	1.6	2.2	
PRETAX MARGIN %:			
Unadjusted	1.1	1.7	
Adjusted ⁽¹⁾	1.2	1.7	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 40,612	\$ 41,306	(1.7)
Pre-tax adjustments:			
Acquisition costs	(288)	—	
Adjusted Same Store SG&A ⁽¹⁾	\$ 40,324	\$ 41,306	(2.4)
SAME STORE SG&A AS % REVENUES:			
Unadjusted	9.6	8.9	
Adjusted ⁽¹⁾	9.5	8.9	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	82.6	76.9	
Adjusted ⁽¹⁾	82.0	76.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	1.6	2.3	
Adjusted ⁽¹⁾	1.7	2.3	

	Six Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 84,080	\$ 79,545	5.7
Pre-tax adjustments:			
Acquisition costs	(288)	(561)	
Adjusted SG&A ⁽¹⁾	\$ 83,792	\$ 78,984	6.1
SG&A AS % REVENUES:			
Unadjusted	9.5	8.8	
Adjusted ⁽¹⁾	9.4	8.8	
SG&A AS % GROSS PROFIT:			
Unadjusted	83.1	78.7	
Adjusted ⁽¹⁾	82.8	78.1	
OPERATING MARGIN %:			
Unadjusted	1.5	2.0	
Adjusted ⁽¹⁾	1.6	2.1	
PRETAX MARGIN %:			
Unadjusted	1.2	1.5	
Adjusted ⁽¹⁾	1.2	1.6	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 71,800	\$ 73,323	(2.1)
Pre-tax adjustments:			
Acquisition costs	(288)	(561)	
Adjusted Same Store SG&A ⁽¹⁾	\$ 71,512	\$ 72,762	(1.7)
SAME STORE SG&A AS % REVENUES:			
Unadjusted	9.0	8.5	
Adjusted ⁽¹⁾	8.9	8.4	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	79.1	75.5	
Adjusted ⁽¹⁾	78.7	74.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	2.0	2.4	
Adjusted ⁽¹⁾	2.0	2.5	

(1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.

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

	Six Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 24,150	\$ 21,913	10.2
Pre-tax adjustments:			
Loss on real estate and dealership transactions	—	(371)	
Adjusted SG&A ⁽¹⁾	\$ 24,150	\$ 21,542	12.1
SG&A AS % REVENUES:			
Unadjusted	11.4	10.8	
Adjusted ⁽¹⁾	11.4	10.7	
SG&A AS % GROSS PROFIT:			
Unadjusted	92.5	105.2	
Adjusted ⁽¹⁾	92.5	103.4	
OPERATING MARGIN %:			
Unadjusted	0.6	(1.0)	
Adjusted ^{(1),(2)}	0.6	(0.6)	
PRETAX MARGIN %:			
Unadjusted	0.4	(1.1)	
Adjusted ^{(1),(2)}	0.4	(0.7)	

- (1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.
- (2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of \$423 for the six months ended June 30, 2016.

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

(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
NET INCOME RECONCILIATION:			
As reported	\$ 39,133	\$ 46,580	(16.0)
Adjustments:			
Catastrophic events			
Pre-tax	643	2,769	
Tax impact	(250)	(1,042)	
Loss on real estate and dealership transactions			
Pre-tax	—	250	
Tax impact	—	(94)	
Acquisition costs			
Pre-tax	288	—	
Tax impact	—	—	
Non-cash asset impairment			
Pre-tax	—	1,024	
Tax impact	—	(391)	
Foreign deferred income tax benefit			
Tax impact	—	(1,686)	
Adjusted net income ⁽¹⁾	\$ 39,814	\$ 47,410	(16.0)
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income ⁽¹⁾	\$ 39,814	\$ 47,410	(16.0)
Less: Adjusted earnings allocated to participating securities	1,413	1,918	(26.3)
Adjusted net income available to diluted common shares ⁽¹⁾	\$ 38,401	\$ 45,492	(15.6)
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	\$ 1.84	\$ 2.12	(13.2)
After-tax adjustments:			
Catastrophic events	0.02	0.08	
Loss on real estate and dealership transactions	—	0.01	
Acquisition costs	0.01	—	
Non-cash asset impairment	—	0.03	
Foreign deferred income tax benefit	—	(0.08)	
Adjusted diluted income per share ⁽¹⁾	\$ 1.87	\$ 2.16	(13.4)
SG&A RECONCILIATION:			
As reported	\$ 298,568	\$ 299,022	(0.2)
Pre-tax adjustments:			
Catastrophic events	(643)	(2,769)	
Loss on real estate and dealership transactions	—	(250)	
Acquisition costs	(288)	—	
Adjusted SG&A ⁽¹⁾	\$ 297,637	\$ 296,003	0.6

SG&A AS % REVENUES:

Unadjusted	11.2	10.7
Adjusted ⁽¹⁾	11.1	10.6

SG&A AS % GROSS PROFIT:

Unadjusted	73.7	72.9
Adjusted ⁽¹⁾	73.5	72.2

OPERATING MARGIN %:

Unadjusted	3.5	3.5
Adjusted ^{(1),(2)}	3.5	3.6

PRETAX MARGIN %:

Unadjusted	2.3	2.5
Adjusted ^{(1),(2)}	2.3	2.6

SAME STORE SG&A RECONCILIATION:

As reported	\$ 295,041	\$ 291,844	1.1
Pre-tax adjustments:			
Catastrophic events	(643)	(2,769)	
Loss on real estate and dealership transactions	—	(250)	
Acquisition costs	(288)	—	
Adjusted Same Store SG&A ⁽¹⁾	\$ 294,110	\$ 288,825	1.8

SAME STORE SG&A AS % REVENUES:

Unadjusted	11.1	10.7
Adjusted ⁽¹⁾	11.1	10.6

SAME STORE SG&A AS % GROSS PROFIT:

Unadjusted	73.4	72.2
Adjusted ⁽¹⁾	73.2	71.5

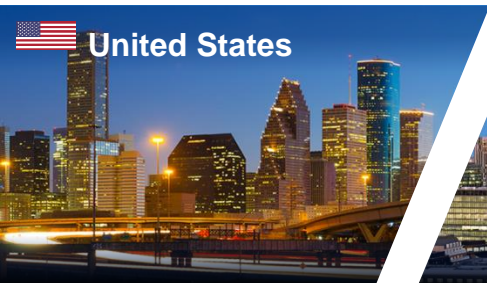
SAME STORE OPERATING MARGIN %:

Unadjusted	3.5	3.6
Adjusted ^{(1),(3)}	3.6	3.8

	Six Months Ended June 30,		
	2017	2016	% Increase/ (Decrease)
NET INCOME RECONCILIATION:			
As reported	\$ 73,072	\$ 80,871	(9.6)
Adjustments:			
Catastrophic events			
Pre-tax	643	5,423	
Tax impact	(250)	(2,038)	
Loss on real estate and dealership transactions			
Pre-tax	—	113	
Tax impact	—	255	
Acquisition costs			
Pre-tax	288	591	
Tax impact	—	(11)	
Legal settlements ⁽⁴⁾			
Pre-tax	(1,833)	—	
Tax impact	696	—	
Non-cash asset impairment			
Pre-tax	—	1,533	
Tax impact	—	(586)	
Foreign deferred income tax benefit			
Tax impact	—	(1,686)	
Adjusted net income ⁽¹⁾	\$ 72,616	\$ 84,465	(14.0)
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income ⁽¹⁾	\$ 72,616	\$ 84,465	(14.0)
Less: Adjusted earnings allocated to participating securities	2,628	3,367	(21.9)
Adjusted net income available to diluted common shares ⁽¹⁾	\$ 69,988	\$ 81,098	(13.7)
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	\$ 3.42	\$ 3.57	(4.2)
After-tax adjustments:			
Catastrophic events	0.02	0.15	
Loss on real estate and dealership transactions	—	0.02	
Acquisition costs	0.01	0.02	
Legal settlements ⁽⁴⁾	(0.05)	—	
Non-cash asset impairment	—	0.04	
Foreign deferred income tax benefit	—	(0.07)	
Adjusted diluted income per share ⁽¹⁾	\$ 3.40	\$ 3.73	(8.8)
SG&A RECONCILIATION:			
As reported	\$ 588,347	\$ 592,687	(0.7)
Pre-tax adjustments:			
Catastrophic events	(643)	(5,423)	
Gain on real estate and dealership transactions	—	310	
Acquisition costs	(288)	(591)	
Legal settlements ⁽⁴⁾	1,833	—	
Adjusted SG&A ⁽¹⁾	\$ 589,249	\$ 586,983	0.4

SG&A AS % REVENUES:				
Unadjusted		11.3		11.0
Adjusted ⁽¹⁾		11.4		10.9
SG&A AS % GROSS PROFIT:				
Unadjusted		74.6		74.2
Adjusted ⁽¹⁾		74.7		73.4
OPERATING MARGIN %:				
Unadjusted		3.3		3.3
Adjusted ^{(1),(2)}		3.3		3.5
PRETAX MARGIN %:				
Unadjusted		2.2		2.3
Adjusted ^{(1),(2)}		2.2		2.4
SAME STORE SG&A RECONCILIATION:				
As reported	\$	572,432	\$	572,764 (0.1)
Pre-tax adjustments:				
Catastrophic events		(643)		(5,423)
Loss on real estate and dealership transactions		—		(385)
Acquisition costs		(288)		(591)
Legal settlements ⁽⁴⁾		1,833		—
Adjusted Same Store SG&A ⁽¹⁾	\$	573,334	\$	566,365 1.2
SAME STORE SG&A AS % REVENUES:				
Unadjusted		11.3		10.9
Adjusted ⁽¹⁾		11.3		10.8
SAME STORE SG&A AS % GROSS PROFIT:				
Unadjusted		73.8		73.1
Adjusted ⁽¹⁾		74.0		72.3
SAME STORE OPERATING MARGIN %:				
Unadjusted		3.5		3.5
Adjusted ^{(1),(3)}		3.4		3.7

- (1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.
- (2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,956 for the three and six months ended June 30, 2016, respectively.
- (3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,534 for the three and six months ended June 30, 2016, respectively.
- (4) For the six months ended June 30, 2017, the Company recognized a net pre-tax gain related to a settlement with an OEM of \$1.8 million.



United States



United Kingdom



Brazil

GROUP 1 AUTOMOTIVE®

www.group1auto.com