GROUP 1 AUTOMOTIVE®

Bank of America Merrill Lynch

2017 Auto Summit

April 12, 2017

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.

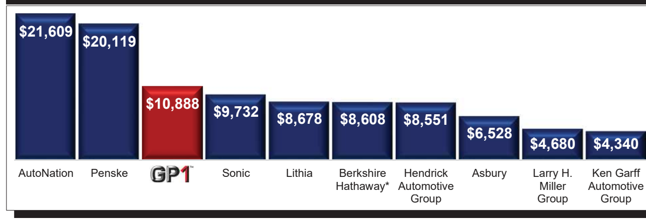
Company Overview

GROUP 1 AUTOMOTIVE®

What Sets Group 1 Apart?

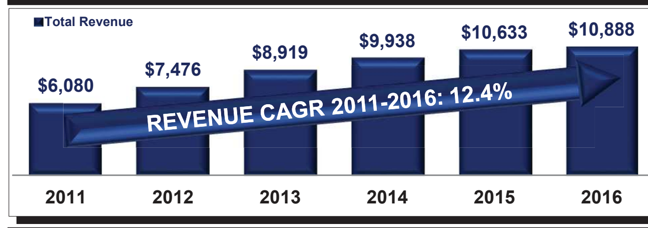
- International, Fortune 500 company with Market Cap of $1.6 Billion (period ended December 31, 2016)
- Third largest dealership group in the U.S. retailing over 300,000 new and used vehicles annually
- Committed management team with more than 100 years of automotive retailing and OEM experience
- Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner
- Well positioned for growth
- From FY11 to FY16, the compounded annual growth rate (CAGR) is 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)

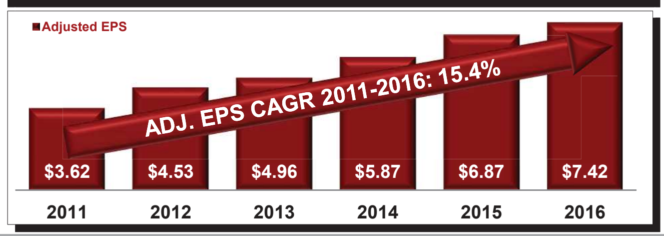


Source: Automotive News, 2016 Top 150 Dealership Groups
*2014 revenues

Revenue ($mm)



Adj. EPS Growth ($)

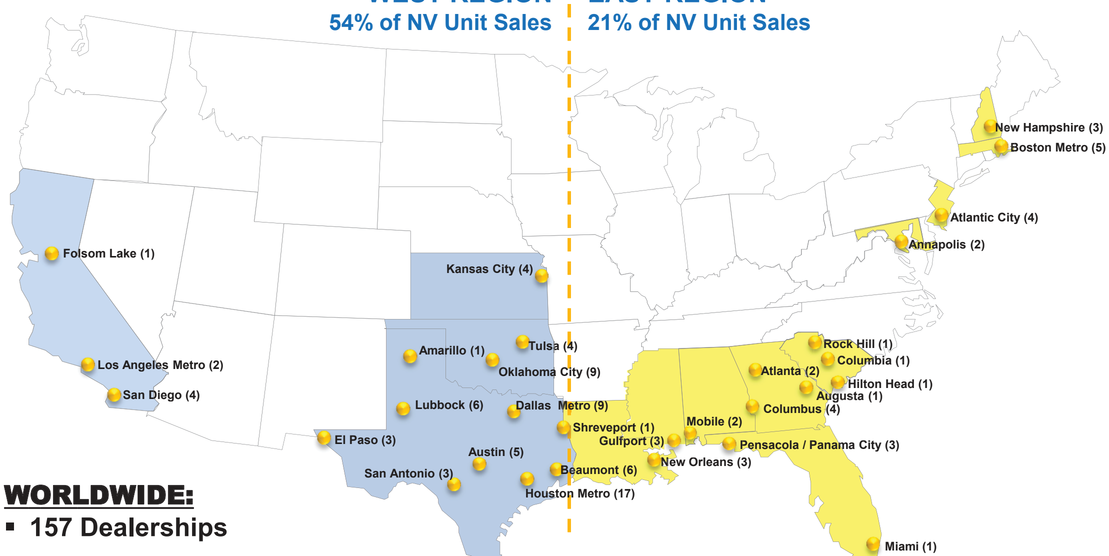


Geographic Footprint

UNITED STATES – 14 States

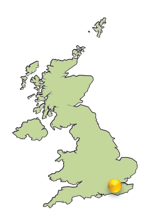
111 Dealerships

WEST REGION 54% of NV Unit Sales | **EAST REGION** 21% of NV Unit Sales



WORLDWIDE:
- 157 Dealerships
- 208 Franchises
- 38 Collision Centers
- 31 Brands

U.K.
England:
- 30 Dealerships
- 19% of NV Unit Sales



BRAZIL
Mato Grosso do Sul, Paraná, São Paulo, and Santa Catarina
- 16 Dealerships
- 6% of NV Unit Sales

Note: Locations as of February 2, 2017; Sales as of 4Q16.

Geographic Diversity

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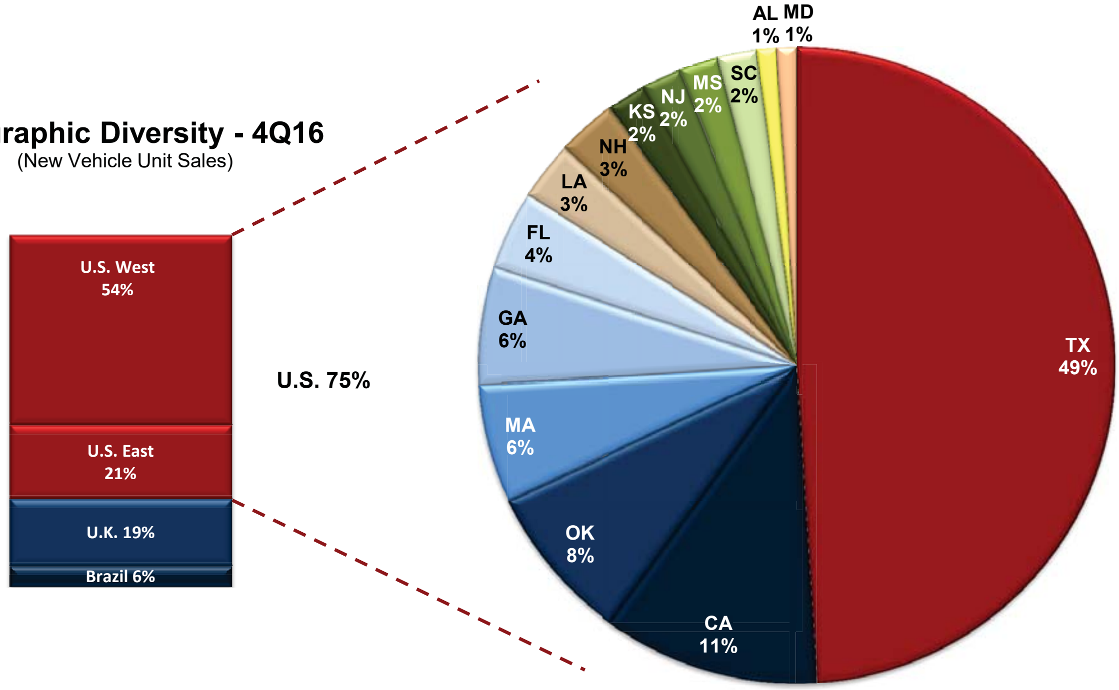
Geographic Diversity - 4Q16
(New Vehicle Unit Sales)



United States – 4Q16

Geographic Diversity – Texas

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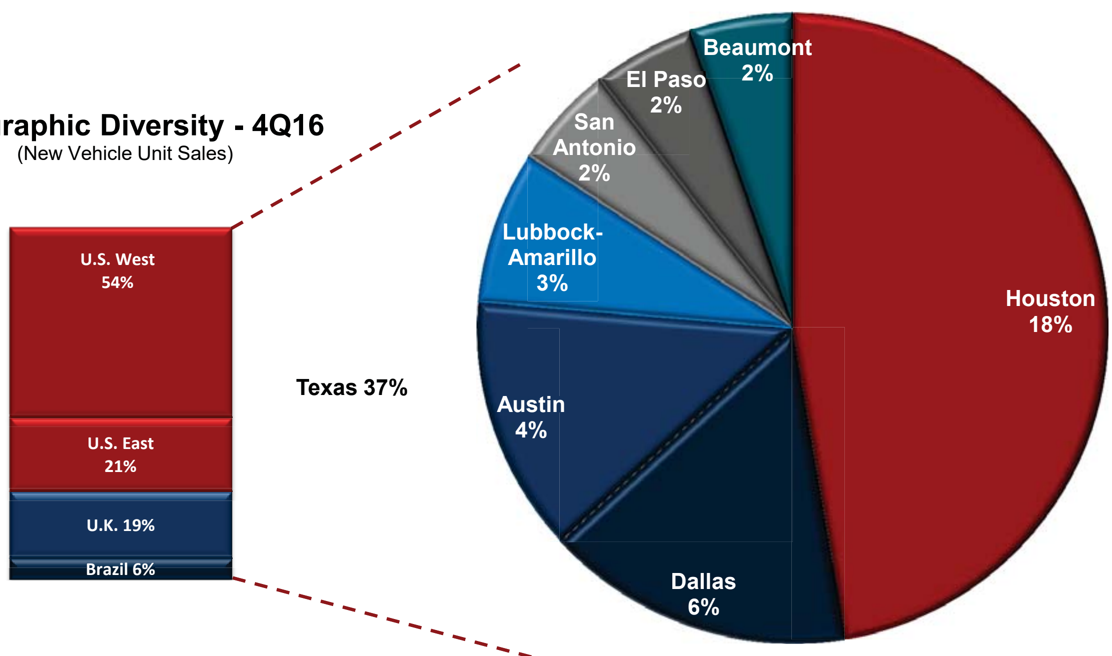
Geographic Diversity - 4Q16
(New Vehicle Unit Sales)



Texas – 4Q16

- **4Q16 Texas New Vehicle Unit Sales were down 8.1% on a Same Store basis**

Well-Balanced Brand Portfolio

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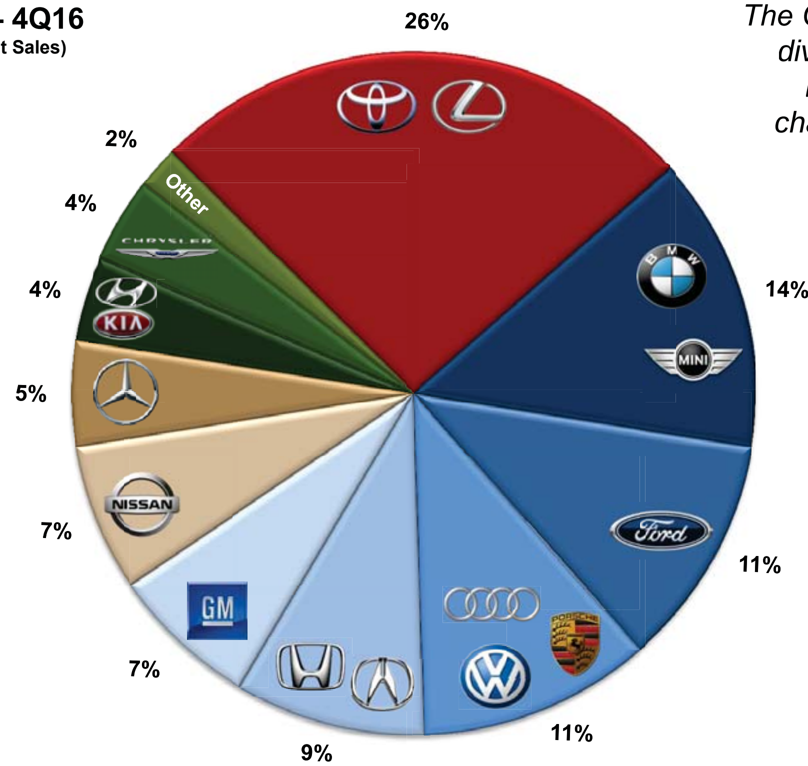
Brand Mix – 4Q16
(New Vehicle Unit Sales)



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

Business Mix Comp – 4Q16

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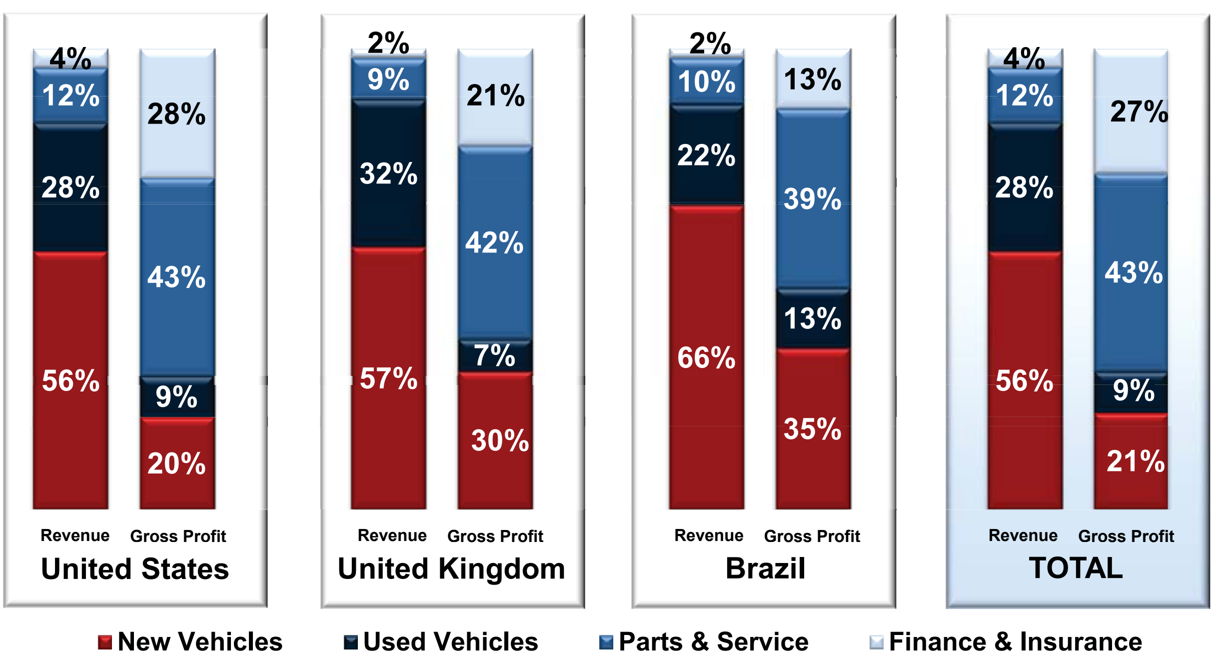
4Q16 Revenue & Gross Profit



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

New Vehicles Overview

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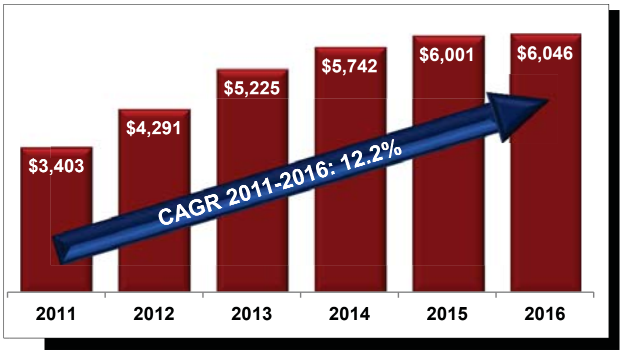
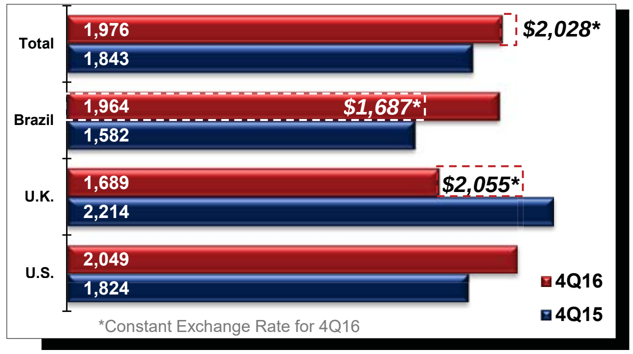
New vehicle revenue ($mm)



New vehicle gross profit per retail unit



	For the year ended December 31,				
	2012	2013	2014	2015	2016
Revenue	$4,291	$5,225	$5,742	$6,001	$6,046
Gross profit	$247	$290	$311	$305	$316
New vehicles (units)	128,550	155,866	166,896	174,614	172,053
Average price per retail unit	$33,381	$33,522	$34,402	$34,369	$35,141
Average gross profit per retail unit	$1,925	$1,860	$1,865	$1,749	$1,839
Same store unit growth	16.4%	4.6%	1.8%	2.9%	-6.4%

Used Vehicle Overview

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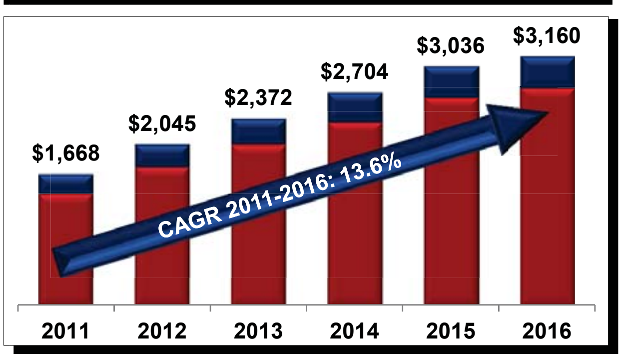
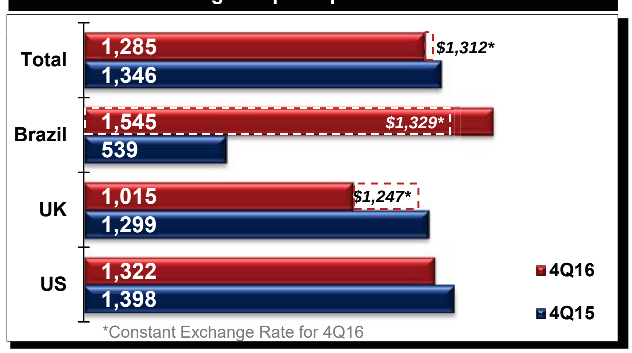
Used vehicle revenue ($mm)



Retail used vehicle gross profit per retail unit



	For the year ended December 31,				
	2012	2013	2014	2015	2016
Retail used vehicles (units)	85,366	98,813	109,873	124,153	129,131
Average price per used retail vehicle	$20,581	$20,639	$21,160	$21,256	$21,356
Average gross profit per used retail vehicle	$1,710	$1,628	$1,579	$1,446	$1,413
Average gross profit per used wholesale vehicle	$56	($4)	$42	($34)	($77)
Used vehicle gross profit ($mm)	$149	$161	$174	$178	$178
Retail same store unit growth	12.9%	4.7%	3.9%	9.5%	1.8%

Parts & Service Overview

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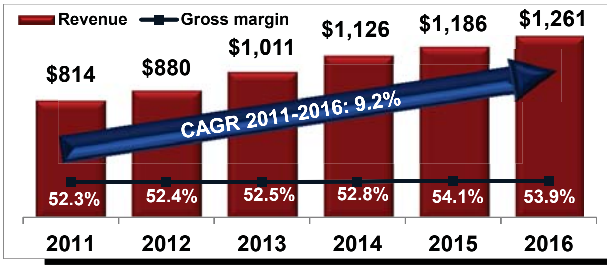
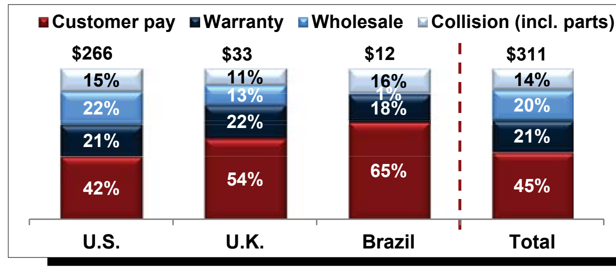
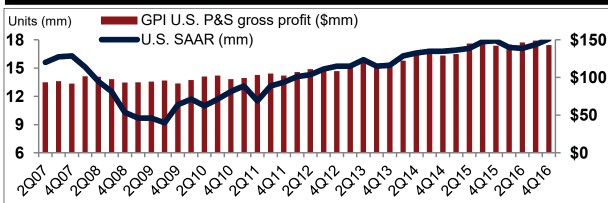
P&S revenue and gross margin ($mm)



4Q16 P&S revenue ($mm)



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



Source: LMC Automotive, Company filings

Same store revenue growth*

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Customer Pay	3.0%	3.1%	5.6%	5.2%	3.3%	6.0%
Warranty	10.4%	7.0%	8.8%	4.3%	5.6%	6.9%
Wholesale	6.0%	4.9%	7.0%	4.8%	2.4%	0.7%
Collision (incl. parts)	12.1%	8.8%	11.3%	1.9%	4.6%	6.3%
% Growth	6.3%	5.1%	7.3%	4.5%	3.8%	5.1%

*In local 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 4Q15, the Company's same store, net service advisor headcount has grown +6.6% in the U.S.

Finance & Insurance Overview

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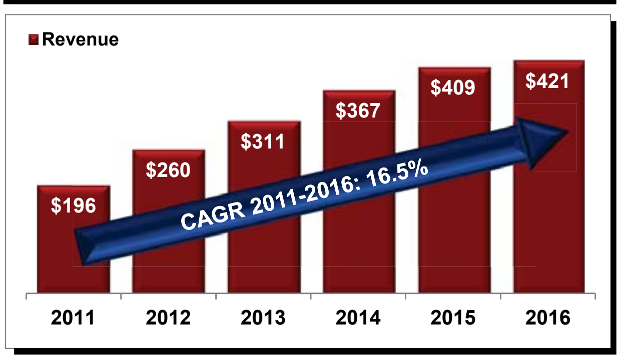
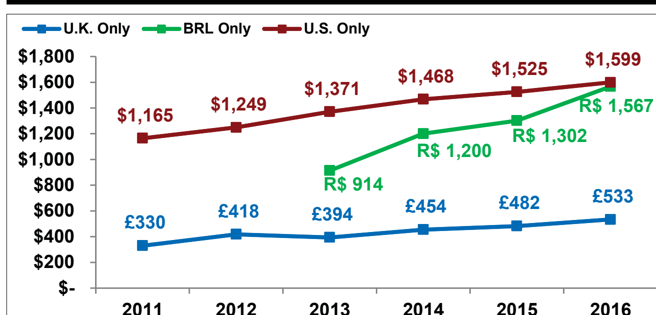
F&I revenue ($mm)



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



*In local currency

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

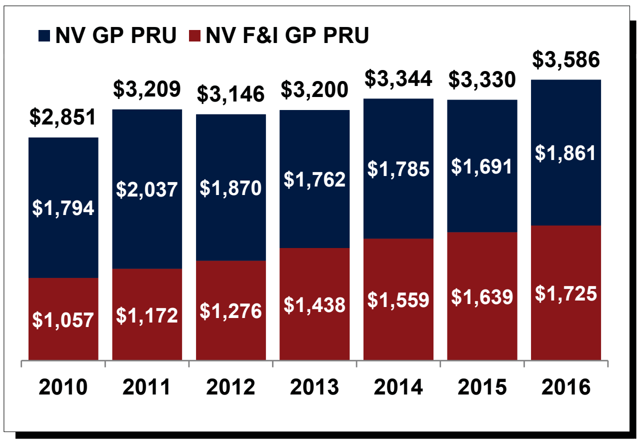
- Consolidation of lender base
- Consumer financing at pre-recession levels and full credit spectrum available
- Integration of compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers
- Proactively addressed CFPB concerns with rollout of NADA's Fair Credit Compliance Policy & Program in 2Q14, which enhanced automotive lending practices

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

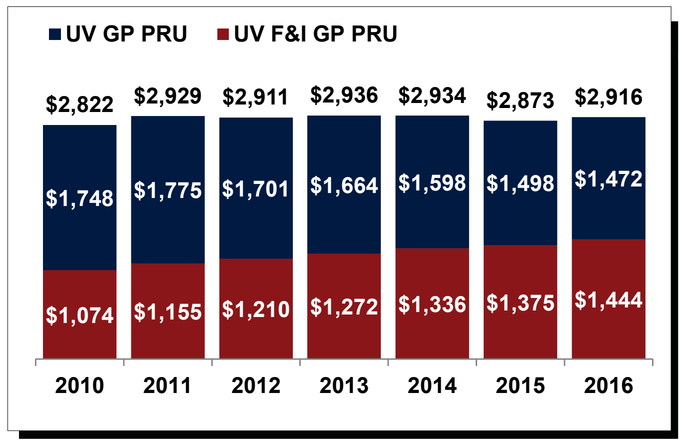
	2012	2013	2014	2015	2016 Consol.	2016 US	2016 UK	2016 Brazil
Finance	71%	69%	67%	67%	67%	74%	45%	29%
VSC	37%	34%	34%	32%	32%	40%	3%	0%
Gap Ins.	22%	22%	24%	27%	28%	30%	31%	0%
Maintenance	8%	8%	9%	10%	11%	14%	0%	0%
Sealant	14%	15%	18%	21%	22%	21%	31%	0%
Gross Profit PRU	$1,215	$1,223	$1,324	$1,368	$1,397	$1,599	$720	$453

Total U.S. Vehicle Profitability

U.S. New Vehicle Profitability ($)



U.S. Used Vehicle Profitability ($)



Financial Overview

Consolidated Financial Results

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

	4Q16	4Q15	Change	C.C. [2]	FY16	FY15	Change	C.C. [2]
Revenues	**$ 2,673.6**	$ 2,672.6	**0.0%**	**2.6%**	**$10,887.6**	$ 10,632.5	**2.4%**	**4.7%**
Gross Profit	**$ 389.2**	$ 380.1	**2.4%**	**4.4%**	**$ 1,595.1**	$ 1,534.0	**4.0%**	**5.7%**
SG&A as a % of Gross Profit	**71.7%**	73.6%	**(190)**		**73.4%**	73.1%	**30**	
Adj. SG&A as a % of Gross Profit (1)	**74.4%**	75.3%	**(90)**		**73.7%**	73.4%	**30**	
Operating Margin	**2.9%**	0.1%	**280**		**3.1%**	2.6%	**50**	
Adusted Operating Margin (1)	**3.2%**	3.1%	**10**		**3.4%**	3.4%	**-**	
EBITDA	**$ 78.9**	$ 4.5	**$ 74.4**		**$ 346.8**	$ 286.3	**$ 60.5**	
Adjusted EBITDA (1)	**$ 88.7**	$ 83.7	**$ 5.0**		**$ 374.9**	$ 368.5	**$ 6.4**	
Total Interest Expense	**$ 28.4**	$ 25.1	**$ 3.3**		**$ 112.9**	$ 96.2	**$ 16.7**	
Net Income	**$ 30.8**	$ (33.4)	**192.3%**		**$ 147.1**	$ 94.0	**56.5%**	
Adjusted Net Income (1)	**$ 37.3**	$ 35.7	**4.4%**		**$ 163.7**	$ 165.5	**-1.1%**	
Diluted EPCS	**$ 1.44**	$ (1.41)	**202.1%**		**$ 6.67**	$ 3.90	**71.0%**	
Adjusted Diluted EPCS (1)	**$ 1.74**	$ 1.51	**15.2%**		**$ 7.42**	$ 6.87	**8.0%**	

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

Financial Results by Segment

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

	4Q16	4Q15	Change	FY16	FY15	Change
Revenues	**$2,170.9**	$ 2,264.5	**-4.1%**	**$ 8,734.7**	$ 8,894.0	**-1.8%**
Gross Profit	**$ 331.3**	$ 334.0	**-0.8%**	**$ 1,355.3**	$ 1,338.9	**1.2%**
SG&A as a % of Gross Profit	**68.6%**	71.9%	**(330)**	**71.2%**	71.6%	**(40)**
Adj. SG&A as a % of Gross Profit (1)	**71.9%**	74.0%	**(210)**	**71.7%**	72.1%	**(40)**
Operating Margin	**3.8%**	2.9%	**90**	**3.7%**	3.6%	**10**
Adusted Operating Margin (1)	**3.8%**	3.4%	**40**	**3.9%**	3.7%	**20**
Total Interest Expense	**$ 25.8**	$ 23.4	**$ 2.4**	**$ 102.8**	$ 88.3	**$ 14.5**
Pretax Margin	**2.7%**	1.9%	**80**	**2.5%**	2.6%	**(10)**
Adjusted Pretax Margin (1)	**2.6%**	2.3%	**30**	**2.7%**	2.7%	**-**

(1) See appendix for GAAP reconciliation

Financial Results by Segment

GP1

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

	4Q16	4Q15	Change	C.C. [2]	FY16	FY15	Change	C.C. [2]
Revenues	**$ 387.5**	$ 285.1	**35.9%**	**66.1%**	**$ 1,723.2**	$ 1,220.2	**41.2%**	**59.2%**
Gross Profit	**$ 44.4**	$ 33.3	**33.3%**	**62.4%**	**$ 193.0**	$ 137.6	**40.2%**	**58.0%**
SG&A as a % of Gross Profit	**88.9%**	81.6%	**730**		**82.2%**	79.0%	**320**	
Adj. SG&A as a % of Gross Profit (1)	**88.1%**	81.6%	**650**		**81.7%**	78.8%	**290**	
Operating Margin	**0.8%**	1.7%	**(90)**		**1.6%**	2.0%	**(40)**	
Adusted Operating Margin (1)	**0.9%**	1.7%	**(80)**		**1.7%**	2.0%	**(30)**	
Total Interest Expense	**$ 2.3**	$ 1.4	**$ 0.9**		**$ 9.4**	$ 5.4	**$ 4.0**	
Pretax Margin	**0.2%**	1.3%	**(110)**		**1.1%**	1.5%	**(40)**	
Adjusted Pretax Margin (1)	**0.3%**	1.3%	**(100)**		**1.1%**	1.6%	**(50)**	

Financial Results - Brazil
($ in millions)

	4Q16	4Q15	Change	C.C. [2]	FY16	FY15	Change	C.C. [2]
Revenues	**$ 115.2**	$ 123.1	**-6.4%**	**-19.5%**	**$ 429.8**	$ 518.3	**-17.1%**	**-12.9%**
Gross Profit	**$ 13.4**	$ 12.9	**4.5%**	**-10.2%**	**$ 46.7**	$ 57.4	**-18.5%**	**-14.3%**
SG&A as a % of Gross Profit	**90.6%**	97.9%	**(730)**		**100.5%**	93.3%	**720**	
Adj. SG&A as a % of Gross Profit (1)	**90.6%**	92.1%	**(150)**		**99.2%**	92.0%	**720**	
Operating Margin	**-8.2%**	-54.8%	**4,660**		**-2.9%**	-12.8%	**990**	
Adusted Operating Margin (1)	**0.8%**	0.6%	**20**		**-0.2%**	0.6%	**(80)**	
Total Interest Expense	**$ 0.3**	$ 0.3	**$ -**		**$ 0.7**	$ 2.4	**$ (1.7)**	
Pretax Margin	**-8.5%**	-55.0%	**4,650**		**-3.0%**	-13.2%	**1,020**	
Adjusted Pretax Margin (1)	**0.5%**	0.3%	**20**		**-0.3%**	0.1%	**(40)**	

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

Same Store Financial Results

GP1

Same Store Financial Results - Consolidated
$ in thousands

	Three Months Ended				Twelve Months Ended			
	12/31/2016	**12/31/2015**	**Change**	**C.C. [1]**	**12/31/2016**	**12/31/2015**	**Change**	**C.C. [1]**
Revenues:								
New vehicle retail	$ 1,428,167	$ 1,486,886	**(3.9)%**	**(2.4)%**	$ 5,619,881	$ 5,860,855	**(4.1)%**	**(2.5)%**
Used vehicle retail	625,832	628,231	**(0.4)%**	**1.7%**	2,612,304	2,582,437	**1.2%**	**2.9%**
Used vehicle wholesale	91,786	91,539	**0.3%**	**5.0%**	364,271	384,969	**(5.4)%**	**(2.3)%**
Total used	$ 717,618	$ 719,770	**(0.3)%**	**2.1%**	$ 2,976,575	$ 2,967,406	**0.3%**	**2.2%**
Parts and service	299,192	287,816	**4.0%**	**5.1%**	1,197,195	1,153,365	**3.8%**	**5.1%**
Finance and insurance	100,955	99,048	**1.9%**	**3.1%**	403,685	402,288	**0.3%**	**1.2%**
Total	$ 2,545,932	$ 2,593,520	**(1.8)%**	**(0.1)%**	$ 10,197,336	$ 10,383,914	**(1.8)%**	**(0.1)%**
Gross Profit	$ 374,478	$ 370,521	**1.1%**	**2.4%**	$ 1,513,860	$ 1,501,460	**0.8%**	**2.1%**

[1] Constant currency basis

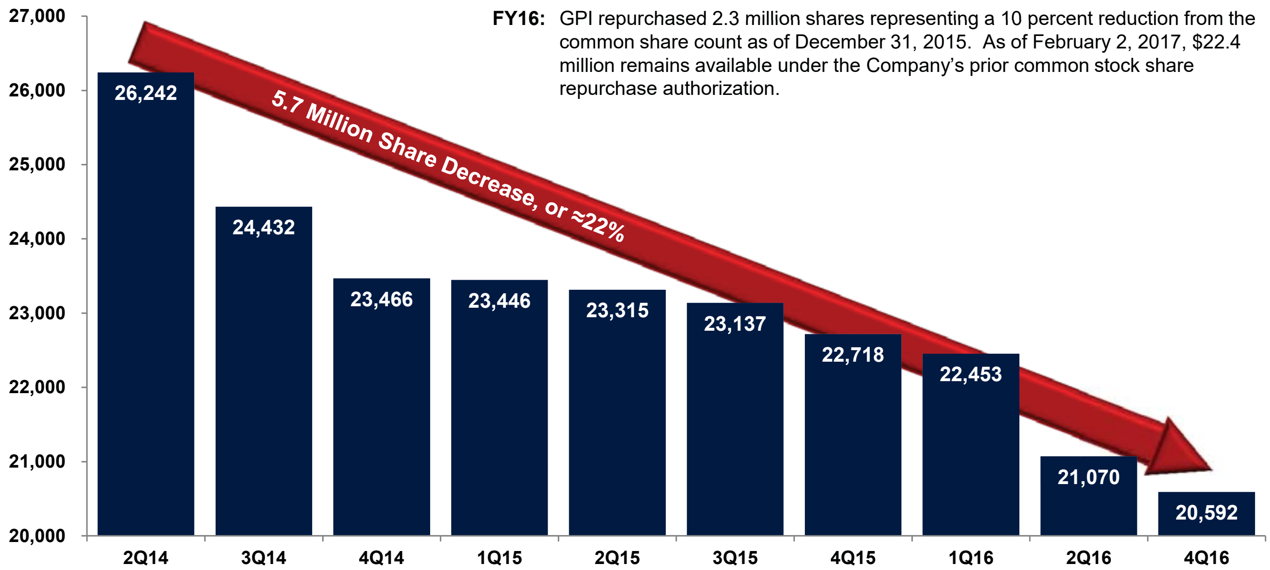
Diluted Common Share Count

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. As of February 2, 2017, $22.4 million remains available under the Company's prior common stock share repurchase authorization.

GPI Weighted Average Common Shares
(in thousands)



Balance Sheet

GROUP 1 AUTOMOTIVE®

Summary Balance Sheet

Summary Balance Sheet
$ in thousands

	As of 12/31/2016	As of 12/31/2015
Cash and cash equivalents [1]	$ 20,992	$ 13,037
Contracts In Transit and vehicle receivables, net	$ 269,508	$ 252,438
Inventories, net	$ 1,651,815	$ 1,737,751
Total current assets	$ 2,150,587	$ 2,188,370
Total assets	$ 4,461,903	$ 4,396,716
Floorplan notes payable	$ 1,529,315	$ 1,654,790
Offset account related to credit facility [1]	$ (85,126)	$ (136,259)
Other current liabilities	$ 605,928	$ 520,737
Total current liabilities	$ 2,053,117	$ 2,039,268
Long-Term Debt, net of current maturities	$ 1,212,809	$ 1,199,534
Total stockholder's equity	$ 930,200	$ 918,252

Available cash of $106.1 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 paydow n floorplan credit facilities but can be immediately redraw n against inventory.

Debt Maturity

Debt Maturity Slide

(in millions)	Maturity Date	As of December 31, 2016 Actual	As of December 31, 2016 Available Liquidity	Funding Capacity
Cash and cash equivalents		$ 21.0	$ 21.0	
Short-Term Debt				
Inventory Financing [1]	2021	$ 1,221.8	$ 85.1	$ 1,740.0
Other Vehicles Financing [2]		222.4		
Current Maturities - Long-Term Debt		72.4		
		$ 1,516.6	$ 85.1	$ 1,740.0
Available Cash			**$ 106.1** [4]	
Long-Term Debt				
Acquisition Line of Credit [1,3]	2021	-	322.9	360.0
5.00% Senior Unsecured Notes (Face: $550.0 Million)	2022	540.5		
5.25% Senior Unsecured Notes (Face: $300.0 Million)	2023	295.6		
Real Estate	2017 - 2034	375.0		
Other	2017	1.7		
Total Long-Term Debt		$ 1,212.8		
Total Debt		$ 2,729.4		
			$ 429.0	$ 2,100.0

1) The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated w ithin the overall $1.8 billion commitment. Further, the borrow ings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
2) Borrow ings w ith manufacturer affiliates for rental vehicle financing and foreign inventories not associated w ith any of the Company's domestic credit facilities.
3) The available liquidity balance at December 31, 2016 considers the $37.1 million of letters of credit outstanding.
4) Available cash of $106.1 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 paydow n floorplan credit facilities but can be immediately redraw n against inventory.

Growth Outlook

GROUP 1 AUTOMOTIVE®

Factors Driving U.S. Auto Sales Growth

GP1

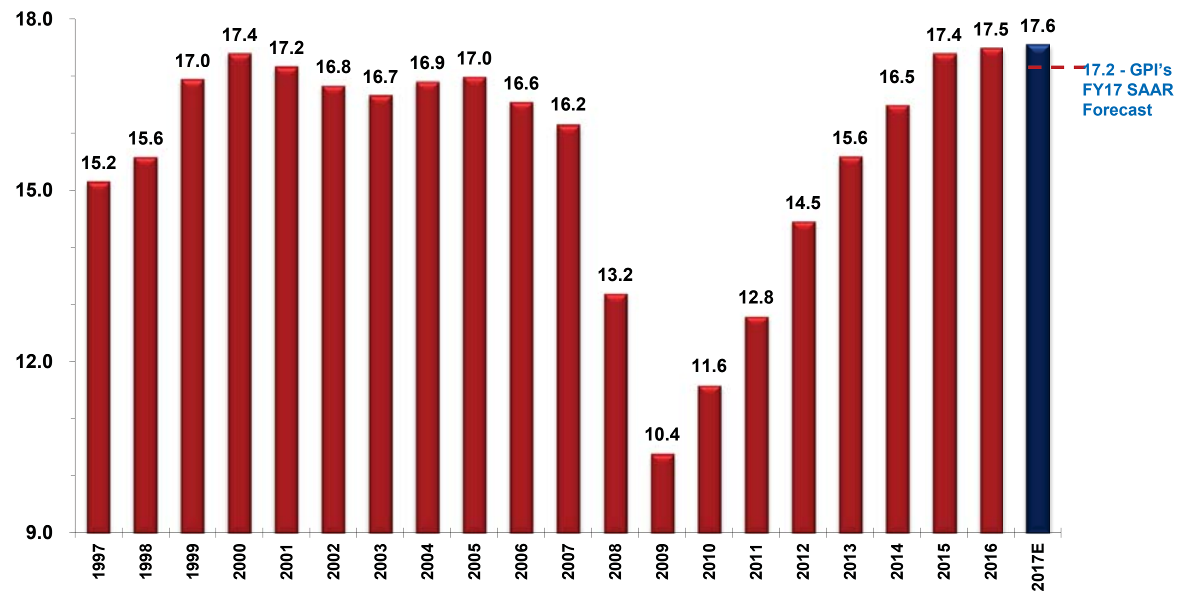
- Improving consumer confidence
- Age of car park exceeds 11 years – above trend
- Financing is back to pre-recession levels
  - Aggressive loan to value; approval rates for prime and near prime customers rising
- Used vehicle prices remain robust
  - Helps consumers in terms of trade-in values; allows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

Pent-up demand driving purchase decisions

U.S. SAAR

United States

(New Vehicle Unit Sales, in millions)



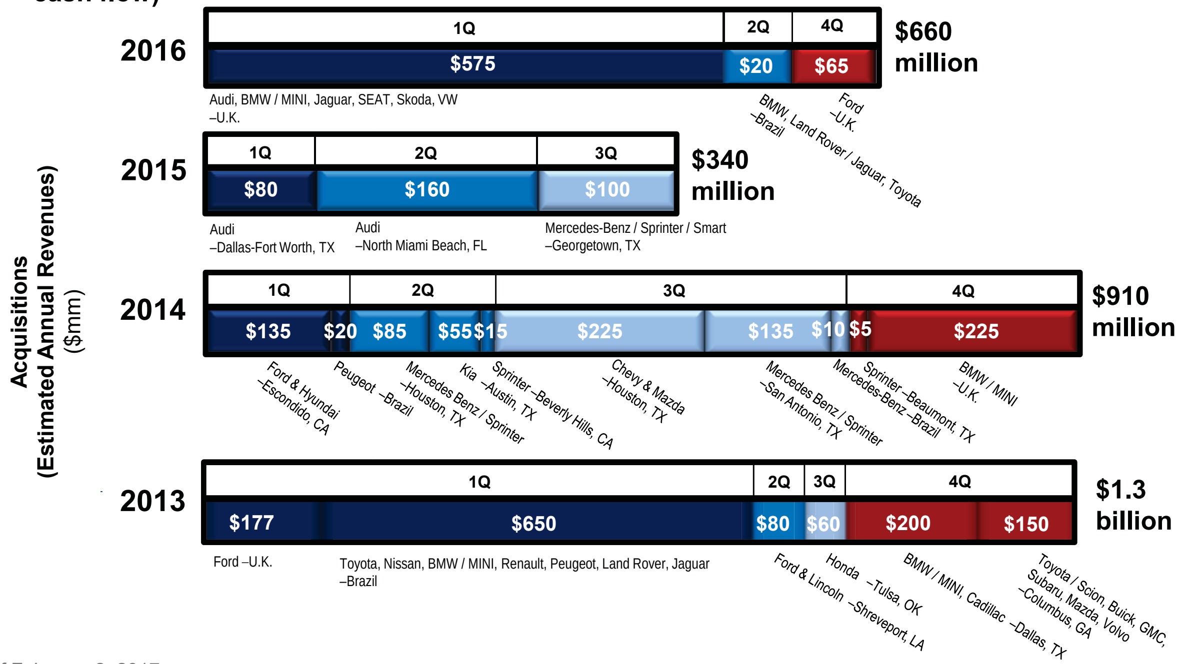
Source: LMC Automotive – U.S. New Vehicle Unit Sales Actuals and 2017 Estimate (17.56 million units)

Cash Prioritization

- **Acquisitions that clear return hurdles**
  - **10%-15% after-tax discounted cash flows**
- **Return cash to stockholders**
  - **Quarterly Cash Dividend**
    - $0.23 per share
  - **2016 Share Repurchases:**
    - 2,282,579 shares at average price of $55.90
  - **Repurchase Authorization:**
    - As of February 2, 2017, $22.4 million remains under Board authorization of $150.0 million

Acquisition Strategy

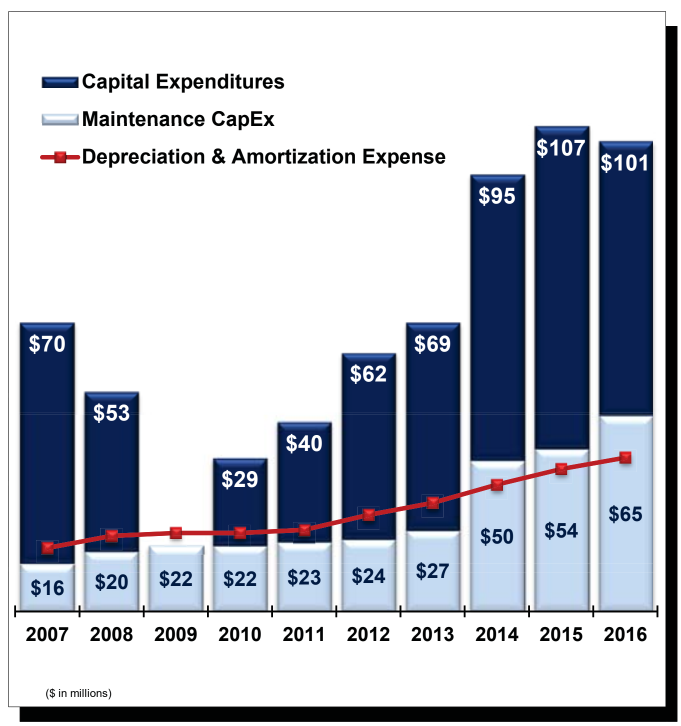
- **Group 1 is well positioned to take advantage of acquisition opportunities and grow scale in existing markets (U.S., U.K., and Brazil)**
- **The Company targets acquisitions that clear return hurdles (10% - 15% after tax discounted cash flow)**



*As of February 2, 2017

Capital Expenditures

- 2015 CapEx of $107 million
- 2016 CapEx of $101 million
- 2017 CapEx projected to be less than $140 million
  - Working with our manufacturer partners to limit spending



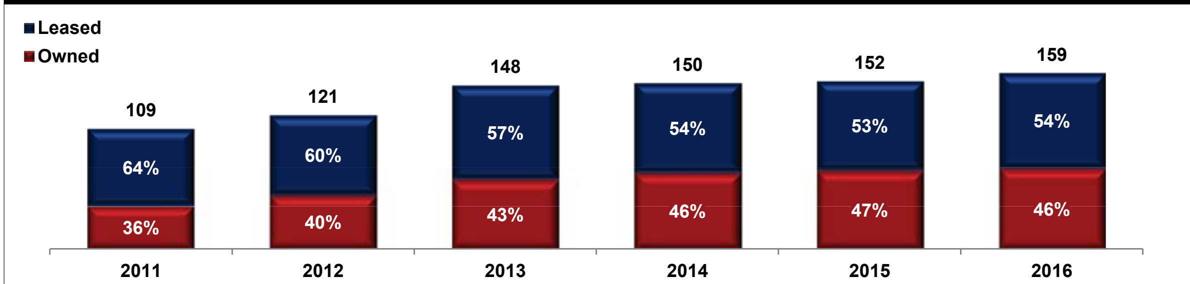
Real Estate Strategy

- **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 December 31, 2016, the Company owns approximately $885 million of real estate (46% of dealership locations) financed through approximately $380 million of mortgage debt

Dealership property breakdown by region (as of December 31, 2016)

	Dealerships	
Geographic Location	**Owned**	**Leased**
United States	56	56
United Kingdom	15	14
Brazil	2	16
Total	**73**	**86**

Leased vs. Owned Properties



Conclusion

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

APPENDIX

GROUP 1 AUTOMOTIVE®

Operating Management Team - Corporate

GP1

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

Interest Rate Variability

	Actual	Variable %
Vehicle Financing	$1,444.2	92.6%
Real Estate & Other Debt(3)	$449.2	41.3%
Senior Notes (1)	$850.0	0.00%
SWAPS (2)(3)	$750.0	

(1) Face Value
(2) SWAPS range from $100-$850 million through 2030, see slide 37 for more details
(3) Variable percentage adjusted for $65M 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
  - 81% 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

	2015	2016	2017	2018	2019	2020	2021	2022-2025	2026-2030
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

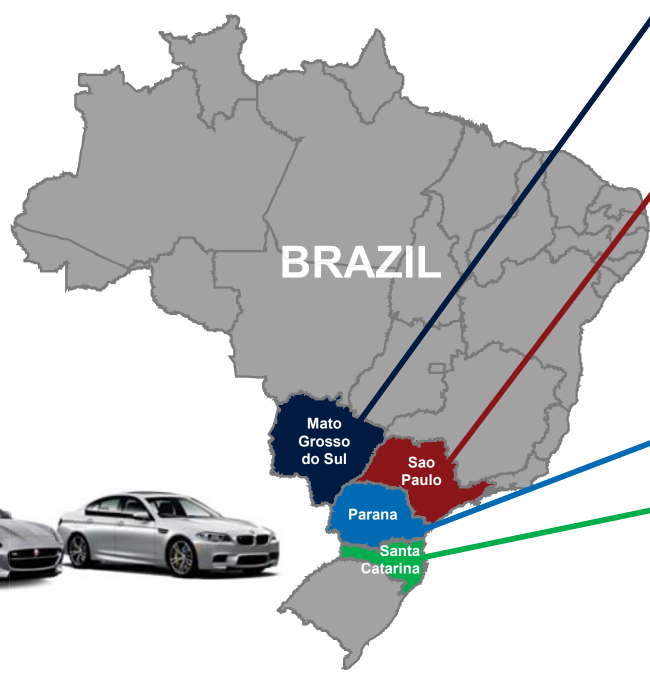
GROUP 1 AUTOMOTIVE

Brazil Locations

GP1

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.

GROUP 1 AUTOMOTIVE®

U.K. Locations

GP1

UNITED KINGDOM – England

30 Dealerships (41 Franchises)

Audi
JAGUAR
MINI
SEAT

GROUP 1 AUTOMOTIVE®

Reconciliations

The following section contains 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 December 31, 2016	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Net (loss) income	$ 30.8	$ (33.4)	$ 147.1	$ 94.0
Other interest expense, net (1)	17.2	14.8	67.9	56.9
Depreciation and amortization expense	13.2	11.8	51.2	47.2
Non-cash asset impairment charges	19.8	85.6	32.1	87.6
Acquisition costs	-	-	0.6	-
Severance costs	2.0	0.2	2.0	0.4
Catastrophic events	-	0.6	5.9	1.6
Net loss (gain) on real estate and dealership transactions	(0.5)	(7.3)	(1.5)	(8.4)
Legal settlements	(11.7)	-	(11.7)	1.0
Foreign transaction tax	-	-	0.3	-
Income tax expense	17.7	11.3	80.3	88.2
Adjusted EBITDA (2)	$ 88.5	$ 83.7	$ 374.2	$ 368.5

(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:

	Three Months Ended: 03.31.10	06.30.10	09.30.10	12.31.10	03.31.11	06.30.11	09.30.11	12.31.11	03.31.12	06.30.12	09.30.12	12.31.12
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
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-
(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:

	03.31.10	06.30.10	09.30.10	12.31.10	03.31.11	06.30.11	09.30.11	12.31.11	03.31.12	06.30.12	09.30.12	12.31.12
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:

	Three Months Ended: 03.31.10	06.30.10	09.30.10	12.31.10	03.31.11	06.30.11	09.30.11	12.31.11	03.31.12	06.30.12	09.30.12	12.31.12
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
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	0.07	-	0.05
Severance costs	-	0.02	-	-	-	-	-	-	-	-	-	0.02
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

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.

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
(Unaudited, in thousands)

NET INCOME (LOSS) RECONCILIATION:	**Three Months Ended:** 03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16
As reported	$ 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
After-tax Adjustments [1]:																
Non-cash asset impairment charges	-	369	349	3,319	-	1,067	6,559	19,878	-	848	776	72,798	315	633	6,746	12,756
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(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	-
Severance costs	-	-	454	237	-	-	388	385	-	167	-	220	-	-	-	1,249
Acquisition costs including related tax impact	6,968	-	(630)	-	-	-	-	188	-	-	-	-	578	-	-	-
Valuation allowance for certain deferred tax assets	-	-	-	3,629	-	-	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	274	-	-	-	610	-	-	-	-	-	(7,312)
Foreign transaction tax	-	-	-	-	-	274	-	-	-	-	-	-	-	-	274	-
Foreign deferred income tax benefit	-	-	-	-	-	-	(3,358)	-	-	-	-	-	-	(1,686)	-	-
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	$ 41,971	$ 37,256

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:	03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16
Adjusted net income	$ 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	$ 41,971	$ 37,256
Less: Adjusted earnings allocated to participating securities	1,233	1,692	1,324	1,057	1,156	1,456	1,520	1,529	1,388	1,855	1,759	1,344	1,457	1,918	1,695	1,477
Adjusted net income available to diluted common shares	$ 28,001	$ 38,037	$ 31,542	$ 27,849	$ 30,147	$ 38,522	$ 38,264	$ 39,149	$ 34,427	$ 46,072	$ 44,278	$ 34,328	$ 35,598	$ 45,492	$ 40,276	$ 35,779

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:	**Three Months Ended:** 03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16
As reported	$ 0.88	$ 1.43	$ 1.19	$ 0.81	$ 1.19	$ 0.62	$ 1.03	$ 0.77	$ 1.47	$ 1.91	$ 1.88	$ (1.41)	$ 1.47	$ 2.12	$ 1.65	$ 1.44
After-tax Adjustments:																
Non-cash asset impairment charges	-	0.01	0.01	0.12	-	0.04	0.26	0.81	-	0.04	0.03	3.07	0.01	0.03	0.32	0.59
Mortgage debt refinance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on real estate and dealership transactions	(0.01)	(0.18)	(0.01)	-	-	(0.01)	(0.34)	0.06	-	(0.03)	-	(0.18)	0.01	0.01	(0.03)	(0.01)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	0.76	0.71	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	0.02	0.26	0.01	-	-	0.04	0.03	-	-	0.02	-	0.02	0.07	0.08	0.01	-
Severance costs	-	-	0.02	0.01	-	-	0.01	0.02	-	0.01	-	0.01	-	-	-	0.06
Acquisition costs including related tax impact	0.27	-	(0.02)	-	-	-	-	0.01	-	-	-	-	0.03	-	-	-
Valuation allowance for certain deferred tax assets	-	-	-	0.14	-	-	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	0.01	-	-	-	0.03	-	-	-	-	-	(0.34)
Foreign transaction tax	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	0.01	-
Foreign deferred income tax benefit	-	-	-	-	-	-	(0.13)	-	-	-	-	-	-	(0.08)	-	-
Adjusted diluted income per share [2]	$ 1.16	$ 1.52	$ 1.20	$ 1.08	$ 1.19	$ 1.47	$ 1.57	$ 1.67	$ 1.47	$ 1.98	$ 1.91	$ 1.51	$ 1.59	$ 2.16	$ 1.96	$ 1.74
Weighted average dilutive common shares outstanding	24,113	24,980	26,342	25,792	25,428	26,242	24,432	23,466	23,446	23,315	23,137	22,718	22,453	21,070	20,578	20,592
Participating Securities	1,072	1,112	1,100	983	963	986	971	925	932	944	925	897	921	892	872	858
Total weighted average shares outstanding	25,185	26,092	27,442	26,775	26,391	27,228	25,403	24,391	24,378	24,259	24,062	23,615	23,374	21,962	21,450	21,450

[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 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 December 31,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	$ 227,411	$ 240,001	(5.2)
Pre-tax adjustments:			
Catastrophic events	—	(637)	
Gain on real estate and dealership transactions	982	7,839	
Severance costs	(1,837)	—	
Legal settlements (4)	11,671	—	
Adjusted SG&A (1)	$ 238,227	$ 247,203	(3.6)
SG&A AS % REVENUES:			
Unadjusted	10.5	10.6	
Adjusted (1)	11.0	10.9	
SG&A AS % GROSS PROFIT:			
Unadjusted	68.6	71.9	
Adjusted (1)	71.9	74.0	
OPERATING MARGIN %:			
Unadjusted	3.8	2.9	
Adjusted (1),(2)	3.8	3.4	
PRETAX MARGIN %:			
Unadjusted	2.7	1.9	
Adjusted (1),(2)	2.6	2.3	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 229,943	$ 238,889	(3.7)
Pre-tax adjustments:			
Catastrophic events	—	(637)	
Loss on real estate and dealership transactions	—	(205)	
Severance costs	(1,837)	—	
Legal settlements (4)	9,864	—	
Adjusted Same Store SG&A (1)	$ 237,970	$ 238,047	—
SAME STORE SG&A AS % REVENUES:			
Unadjusted	10.6	10.9	
Adjusted (1)	11.0	10.9	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	69.6	73.4	
Adjusted (1)	72.0	73.1	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.7	2.8	
Adjusted (1),(3)	3.8	3.5	

	Twelve Months Ended December 31,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	$ 965,139	$ 958,608	0.7
Pre-tax adjustments:			
Catastrophic events	(5,873)	(1,588)	
Gain on real estate and dealership transactions	2,838	8,891	
Severance costs	(1,837)	—	
Acquisition costs	(30)	—	
Legal settlements (4)	11,671	(1,000)	
Adjusted SG&A (1)	$ 971,908	$ 964,911	0.7
SG&A AS % REVENUES:			
Unadjusted	11.0	10.8	
Adjusted (1)	11.1	10.8	
SG&A AS % GROSS PROFIT:			
Unadjusted	71.2	71.6	
Adjusted (1)	71.7	72.1	
OPERATING MARGIN %:			
Unadjusted	3.7	3.6	
Adjusted (1),(2)	3.9	3.7	
PRETAX MARGIN %:			
Unadjusted	2.5	2.6	
Adjusted (1),(2)	2.7	2.7	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 952,597	$ 939,535	1.4
Pre-tax adjustments:			
Catastrophic events	(5,873)	(1,588)	
Loss on real estate and dealership transactions	(385)	(569)	
Severance costs	(1,837)	—	
Acquisition costs	(30)	—	
Legal settlements (4)	9,864	(1,000)	
Adjusted Same Store SG&A (1)	$ 954,336	$ 936,378	1.9
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.1	10.8	
Adjusted (1)	11.1	10.8	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	71.5	71.6	
Adjusted (1)	71.6	71.4	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.7	3.6	
Adjusted (1),(3)	3.9	3.9	

(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 $9,406 and $21,794 for the three and twelve months ended December 31, 2016, respectively, and $18,197 and $18,983 for the three and twelve months ended December 31, 2015, respectively.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of $9,344 and $21,653 for the three and twelve months ended December 31, 2016, respectively, and $15,749 and $16,535 for the three and twelve months ended December 31, 2015, respectively.

(4) For the three months ended December 31, 2016, the Company recognized a net pre-tax gain related to a settlement with an OEM of $11.7 million ($9.9 million on a Same Store basis).

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - U.K.

(Unaudited)

(Dollars in thousands)

	Three Months Ended December 31,		
	2016	**2015**	**% Increase/ (Decrease)**
SG&A RECONCILIATION:			
As reported	$ 39,482	$ 27,191	45.2
Pre-tax adjustments:			
Loss on real estate and dealership transactions	(223)	—	
Severance costs	(122)	—	
Adjusted SG&A (1)	$ 39,137	$ 27,191	43.9
SG&A AS % REVENUES:			
Unadjusted	10.2	9.5	
Adjusted (1)	10.1	9.5	
SG&A AS % GROSS PROFIT:			
Unadjusted	88.9	81.6	
Adjusted (1)	88.1	81.6	
OPERATING MARGIN %:			
Unadjusted	0.8	1.7	
Adjusted (1),(2)	0.9	1.7	
PRETAX MARGIN %:			
Unadjusted	0.2	1.3	
Adjusted (1),(2)	0.3	1.3	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 25,682	$ 27,223	(5.7)
Pre-tax adjustments:			
Loss on real estate and dealership transactions	(61)	—	
Adjusted Same Store SG&A (1)	$ 25,621	$ 27,223	(5.9)
SAME STORE SG&A AS % REVENUES:			
Unadjusted	9.6	9.5	
Adjusted (1)	9.5	9.5	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	82.6	81.7	
Adjusted (1)	82.4	81.7	
SAME STORE OPERATING MARGIN %:			
Unadjusted	1.6	1.7	
Adjusted (1),(3)	1.6	1.7	

	Twelve Months Ended December 31,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	$ 158,636	$ 108,719	45.9
Pre-tax adjustments:			
Loss on real estate and dealership transactions	(223)	—	
Severance costs	(122)	(208)	
Acquisition costs	(561)	—	
Adjusted SG&A [1]	$ 157,730	$ 108,511	45.4
SG&A AS % REVENUES:			
Unadjusted	9.2	8.9	
Adjusted [1]	9.2	8.9	
SG&A AS % GROSS PROFIT:			
Unadjusted	82.2	79.0	
Adjusted [1]	81.7	78.8	
OPERATING MARGIN %:			
Unadjusted	1.6	2.0	
Adjusted [1],[2]	1.7	2.0	
PRETAX MARGIN %:			
Unadjusted	1.1	1.5	
Adjusted [1],[2]	1.1	1.6	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 106,551	$ 108,770	(2.0)
Pre-tax adjustments:			
Loss on real estate and dealership transactions	(61)	—	
Severance costs	—	(208)	
Acquisition costs	(561)	—	
Adjusted Same Store SG&A [1]	$ 105,929	$ 108,562	(2.4)
SAME STORE SG&A AS % REVENUES:			
Unadjusted	8.9	8.9	
Adjusted [1]	8.8	8.9	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	77.9	79.0	
Adjusted [1]	77.4	78.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	2.1	2.0	
Adjusted [1],[3]	2.2	2.0	

(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 $201 for the three and twelve months ended December 31, 2016, respectively, and $333 for the twelve months ended December 31, 2015.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of $333 for the twelve months ended December 31, 2015.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Brazil

(Unaudited)

(Dollars in thousands)

	Three Months Ended December 31,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	$ 12,178	$ 12,593	(3.3)
Pre-tax adjustments:			
Loss on real estate and dealership transactions	—	(520)	
Severance costs	—	(226)	
Adjusted SG&A [(1)]	$ 12,178	$ 11,847	2.8
SG&A AS % REVENUES:			
Unadjusted	10.6	10.2	
Adjusted [(1)]	10.6	9.6	
SG&A AS % GROSS PROFIT:			
Unadjusted	90.6	97.9	
Adjusted [(1)]	90.6	92.1	
OPERATING MARGIN %			
Unadjusted	(8.2)	(54.8)	
Adjusted [(1),(2)]	0.8	0.6	
PRETAX MARGIN %:			
Unadjusted	(8.5)	(55.0)	
Adjusted [(1),(2)]	0.5	0.3	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 11,409	$ 10,135	12.6
Pre-tax adjustments:			
Severance costs	—	(150)	
Adjusted Same Store SG&A [(1)]	$ 11,409	$ 9,985	14.3
SAME STORE SG&A AS % REVENUES:			
Unadjusted	10.6	8.9	
Adjusted [(1)]	10.6	8.7	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	89.3	87.2	
Adjusted [(1)]	89.3	85.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	(8.2)	(56.4)	
Adjusted [(1),(3)]	1.0	1.2	

	Twelve Months Ended December 31,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	$ 46,988	$ 53,506	(12.2)
Pre-tax adjustments:			
Loss on real estate and dealership transactions	(372)	(520)	
Severance costs	—	(226)	
Foreign transaction tax	(274)	—	
Adjusted SG&A (1)	$ 46,342	$ 52,760	(12.2)
SG&A AS % REVENUES:			
Unadjusted	10.9	10.3	
Adjusted (1)	10.8	10.2	
SG&A AS % GROSS PROFIT:			
Unadjusted	100.5	93.3	
Adjusted (1)	99.2	92.0	
OPERATING MARGIN %:			
Unadjusted	(2.9)	(12.8)	
Adjusted (1),(2)	(0.2)	0.6	
PRETAX MARGIN %:			
Unadjusted	(3.0)	(13.2)	
Adjusted (1),(2)	(0.3)	0.1	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 43,393	$ 44,677	(2.9)
Pre-tax adjustments:			
Severance costs	—	(150)	
Foreign transaction tax	(274)	—	
Adjusted Same Store SG&A (1)	$ 43,119	$ 44,527	(3.2)
SAME STORE SG&A AS % REVENUES:			
Unadjusted	10.7	9.3	
Adjusted (1)	10.6	9.2	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	96.5	85.2	
Adjusted (1)	95.9	84.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	(2.4)	(12.3)	
Adjusted (1),(3)	0.2	1.4	

(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 $10,420 and $10,843 for the three and twelve months ended December 31, 2016, respectively, and $67,410 and $68,249 for the three and twelve months ended December 31, 2015, respectively.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of $9,901 and $10,324 for the three and twelve months ended December 31, 2016, respectively, and $65,806 and $66,021 for the three and twelve months ended December 31, 2015, respectively.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended December 31,		
	2016	**2015**	**% Increase/ (Decrease)**
NET INCOME RECONCILIATION:			
As reported	$ 30,828	$ (33,387)	192.3
Adjustments:			
Catastrophic events			
Pre-tax	—	637	
Tax impact	—	(239)	
Gain on real estate and dealership transactions			
Pre-tax	(529)	(7,319)	
Tax impact	264	2,962	
Severance costs			
Pre-tax	1,959	227	
Tax impact	(710)	(7)	
Legal settlements [4]			
Pre-tax	(11,671)	—	
Tax impact	4,359	—	
Non-cash asset impairment			
Pre-tax	19,797	85,607	
Tax impact	(7,041)	(12,809)	
Adjusted net income [1]	$ 37,256	$ 35,672	4.4
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income [1]	$ 37,256	$ 35,672	4.4
Less: Adjusted earnings allocated to participating securities	1,477	1,344	9.9
Adjusted net income available to diluted common shares [1]	$ 35,779	$ 34,328	4.2
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	$ 1.44	$ (1.41)	202.1
After-tax adjustments:			
Catastrophic events	—	0.02	
Gain on real estate and dealership transactions	(0.01)	(0.18)	
Severance costs	0.06	0.01	
Legal settlements [4]	(0.34)	—	
Non-cash asset impairment	0.59	3.07	
Adjusted diluted income per share [1]	$ 1.74	$ 1.51	15.2
SG&A RECONCILIATION:			
As reported	$ 279,071	$ 279,785	(0.3)
Pre-tax adjustments:			
Catastrophic events	—	(637)	
Gain on real estate and dealership transactions	759	7,318	
Severance costs	(1,959)	(226)	
Legal settlements [4]	11,671	—	
Foreign transaction tax	—	—	
Adjusted SG&A [1]	$ 289,542	$ 286,240	1.2

SG&A AS % REVENUES:					
Unadjusted		10.4		10.5	
Adjusted [1]		10.8		10.7	
SG&A AS % GROSS PROFIT:					
Unadjusted		71.7		73.6	
Adjusted [1]		74.4		75.3	
OPERATING MARGIN %:					
Unadjusted		2.9		0.1	
Adjusted [1],[2]		3.2		3.1	
PRETAX MARGIN %:					
Unadjusted		1.8		(0.8)	
Adjusted [1],[2]		2.2		2.1	
SAME STORE SG&A RECONCILIATION:					
As reported	$	267,034	$	276,247	(3.3)
Pre-tax adjustments:					
Catastrophic events		—		(637)	
Loss on real estate and dealership transactions		(61)		(205)	
Severance costs		(1,837)		(150)	
Legal settlements [4]		9,864		—	
Adjusted Same Store SG&A [1]	$	275,000	$	275,255	(0.1)
SAME STORE SG&A AS % REVENUES:					
Unadjusted		10.5		10.7	
Adjusted [1]		10.8		10.6	
SAME STORE SG&A AS % GROSS PROFIT:					
Unadjusted		71.3		74.6	
Adjusted [1]		73.4		74.3	
SAME STORE OPERATING MARGIN %:					
Unadjusted		3.0		0.1	
Adjusted [1],[3]		3.4		3.2	

	Twelve Months Ended December 31,		
	2016	2015	% Increase/ (Decrease)
NET INCOME RECONCILIATION:			
As reported	$ 147,065	$ 93,999	56.5
Adjustments:			
Catastrophic events			
Pre-tax	5,873	1,588	
Tax impact	(2,207)	(597)	
Gain on real estate and dealership transactions			
Pre-tax	(1,530)	(8,372)	
Tax impact	937	3,413	
Severance costs			
Pre-tax	1,959	435	
Tax impact	(710)	(48)	
Acquisition costs			
Pre-tax	591	—	
Tax impact	(11)	—	
Legal settlements [4]			
Pre-tax	(11,671)	1,000	
Tax impact	4,359	(390)	
Foreign transaction tax			
Pre-tax	274	—	
Tax impact	—	—	
Non-cash asset impairment			
Pre-tax	32,124	87,565	
Tax impact	(11,676)	(13,143)	
Foreign deferred income tax benefit			
Pre-tax	—	—	
Tax impact	(1,686)	—	
Adjusted net income [1]	$ 163,691	$ 165,450	(1.1)
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income [1]	$ 163,691	$ 165,450	(1.1)
Less: Adjusted earnings allocated to participating securities	6,537	6,338	3.1
Adjusted net income available to diluted common shares [1]	$ 157,154	$ 159,112	(1.2)
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	$ 6.67	$ 3.90	71.0
After-tax adjustments:			
Catastrophic events	0.17	0.04	
Gain on real estate and dealership transactions	(0.03)	(0.21)	
Severance costs	0.05	0.02	
Acquisition costs including related tax impact	0.02	—	
Legal settlements [4]	(0.33)	0.03	
Foreign transaction tax	0.01	—	
Non-cash asset impairment	0.93	3.09	
Foreign deferred income tax benefit	(0.07)	—	
Adjusted diluted income per share [1]	$ 7.42	$ 6.87	8.0

SG&A RECONCILIATION:					
As reported	$	1,170,763	$	1,120,833	4.5
Pre-tax adjustments:					
Catastrophic events		(5,873)		(1,588)	
Gain on real estate and dealership transactions		2,243		8,372	
Severance costs		(1,959)		(435)	
Acquisition costs		(591)		—	
Legal settlements [4]		11,671		(1,000)	
Foreign transaction tax		(274)		—	
Adjusted SG&A [1]	$	1,175,980	$	1,126,182	4.4
SG&A AS % REVENUES:					
Unadjusted		10.8		10.5	
Adjusted [1]		10.8		10.6	
SG&A AS % GROSS PROFIT:					
Unadjusted		73.4		73.1	
Adjusted [1]		73.7		73.4	
OPERATING MARGIN %:					
Unadjusted		3.1		2.6	
Adjusted [1],[2]		3.4		3.4	
PRETAX MARGIN %:					
Unadjusted		2.1		1.7	
Adjusted [1],[2]		2.3		2.5	
SAME STORE SG&A RECONCILIATION:					
As reported	$	1,102,541	$	1,092,982	0.9
Pre-tax adjustments:					
Catastrophic events		(5,873)		(1,588)	
Loss on real estate and dealership transactions		(446)		(569)	
Severance costs		(1,837)		(358)	
Acquisition costs		(591)		—	
Legal settlements [4]		9,864		(1,000)	
Foreign transaction tax		(274)		—	
Adjusted Same Store SG&A [1]	$	1,103,384	$	1,089,467	1.3
SAME STORE SG&A AS % REVENUES:					
Unadjusted		10.8		10.5	
Adjusted [1]		10.8		10.5	
SAME STORE SG&A AS % GROSS PROFIT:					
Unadjusted		72.8		72.8	
Adjusted [1]		72.9		72.6	
SAME STORE OPERATING MARGIN %:					
Unadjusted		3.2		2.7	
Adjusted [1],[3]		3.6		3.5	

(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.

(2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of $20,027 and $32,838 for the three and twelve months ended December 31, 2016, respectively, and $85,606 and $87,565 for the three and twelve months ended December 31, 2015, respectively.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of $19,245 and $31,977 for the three and twelve months ended December 31, 2016, respectively, and $81,555 and $82,889 for the three and twelve months ended December 31, 2015, respectively.

(4) For the three months ended December 31, 2016, the Company recognized a net pre-tax gain related to a settlement with an OEM of $11.7 million ($9.9 million on a Same Store basis).

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