

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⁾	<u>\$ 10,439</u>	<u>\$ 17,822</u>	<u>\$ 19,257</u>	<u>\$ 14,706</u>	<u>\$ 15,502</u>	<u>\$ 24,768</u>	<u>\$ 23,803</u>	<u>\$ 21,957</u>	<u>\$ 23,117</u>	<u>\$ 29,739</u>	<u>\$ 31,335</u>	<u>\$ 24,011</u>

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	<u>\$ 9,842</u>	<u>\$ 16,822</u>	<u>\$ 18,054</u>	<u>\$ 13,921</u>	<u>\$ 14,584</u>	<u>\$ 23,344</u>	<u>\$ 22,411</u>	<u>\$ 20,775</u>	<u>\$ 21,952</u>	<u>\$ 28,102</u>	<u>\$ 29,694</u>	<u>\$ 22,945</u>

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⁾	<u>\$ 0.43</u>	<u>\$ 0.73</u>	<u>\$ 0.80</u>	<u>\$ 0.62</u>	<u>\$ 0.64</u>	<u>\$ 1.03</u>	<u>\$ 1.01</u>	<u>\$ 0.94</u>	<u>\$ 0.97</u>	<u>\$ 1.25</u>	<u>\$ 1.32</u>	<u>\$ 0.99</u>
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	<u>24,561</u>	<u>24,482</u>	<u>23,928</u>	<u>23,751</u>	<u>24,186</u>	<u>24,044</u>	<u>23,611</u>	<u>23,316</u>	<u>23,741</u>	<u>23,830</u>	<u>23,703</u>	<u>24,335</u>

⁽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.

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(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
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
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
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
(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
Severance costs	-	-	454	237	-	-	388	385	-	167	-	220	-	-
Acquisition costs including related tax impact	6,968	-	(630)	-	-	-	-	188	-	-	-	-	578	-
Valuation allowance for certain deferred tax assets	-	-	-	3,629	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	274	-	-	-	610	-	-	-	-
Foreign transaction tax	-	-	-	-	-	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

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

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
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
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

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
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
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
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
(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
Severance costs	-	-	0.02	0.01	-	-	0.01	0.02	-	0.01	-	0.01	-	-
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	-	-	-	-
Foreign transaction tax	-	-	-	-	-	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
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
Participating Securities	1,072	1,112	1,100	983	963	986	971	925	932	944	925	897	921	892
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

⁽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.

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