

GROUP 1 AUTOMOTIVE INC  
Form 8-K  
March 09, 2007

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

March 8, 2007

Group 1 Automotive, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-13461

76-0506313

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

950 Echo Lane, Suite 100, Houston, Texas

77024

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

713-647-5700

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Top of the Form**

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 7, 2007, the Compensation Committee of the Board of Directors of Group 1 Automotive, Inc. (the "Company") approved the performance-based compensation measures that will govern the vesting of 30,000 shares of restricted stock (the "Performance Shares"), which were awarded to Earl J. Hesterberg, our Chief Executive Officer, on November 16, 2006. The Performance Shares were issued under the Group 1 Automotive Stock Incentive Plan and restrictions on those shares will lapse in 25% increments beginning on January 1, 2008.

The performance measures set by the Committee consist of:

- gross margin target,
- percentage of same store revenue growth compared to the Company's public automotive consolidator peer group, and
- reduction in selling, general and administrative expenses.

The Compensation Committee will review the performance of the Company and Mr. Hesterberg at the end of each fiscal year during the performance period to determine whether the targets have been achieved. The Compensation Committee, in its sole and exclusive discretion, may modify the number of shares and/or the performance criteria relative to the Performance Shares based on its review of factors affecting the Company's performance.

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**Top of the Form**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

*March 9, 2007*

Group 1 Automotive, Inc.

By: *Darryl M. Burman*

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*Name: Darryl M. Burman*

*Title: Vice President*