



**GB Auto**  
**“The Leading Automotive Assembler  
and Distributor in the MENA Region”**



Company &  
Business  
Overview

**Dr. Raouf Ghabbour**  
Chief Executive

Financial  
Overview

**Colin Sykes**  
Chief Financial Officer

## I. Company Overview

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# GB Auto is the Leading Player in the Egyptian Automotive Market

## Key Financial Data

(LE million)	2006	2007	2008
<b>Sales</b>	<b>3,103.3</b>	<b>4,630.1</b>	<b>5,192.4</b>
<i>% growth</i>	<i>50.1</i>	<i>49.2</i>	<i>12.1</i>
<b>EBITDA</b>	<b>417.4</b>	<b>500.7</b>	<b>678.5</b>
<i>% margin</i>	<i>13.5</i>	<i>10.8</i>	<i>13.1</i>
<b>EBIT</b>	<b>503.6</b>	<b>582.1</b>	<b>646.5</b>
<i>% margin</i>	<i>16.2</i>	<i>12.6</i>	<i>12.5</i>
<b>Net Income</b>	<b>281.5</b>	<b>433.5</b>	<b>415.9</b>
<i>% margin</i>	<i>9.1</i>	<i>9.4</i>	<i>8.0</i>

## Key Highlights

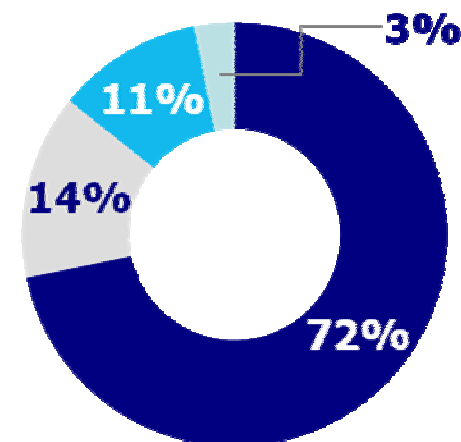
- Focus on the assembly, distribution and service of automotive vehicles and related products as well as providing transportation solutions
- Market leader in domestic passenger car market, the largest player in the three-wheeler segment and a rapidly growing commercial vehicles division
- Operates activities throughout the value chain

## Key Products

- Passenger Cars**
- Commercial Vehicles**
- 3-wheelers & Motorcycles**
- Other:** Tires  
Construction Equipment  
Transportation Services



## Sales Breakdown (2008)





## Unique, Diversified Position Covering the Automotive Value Chain



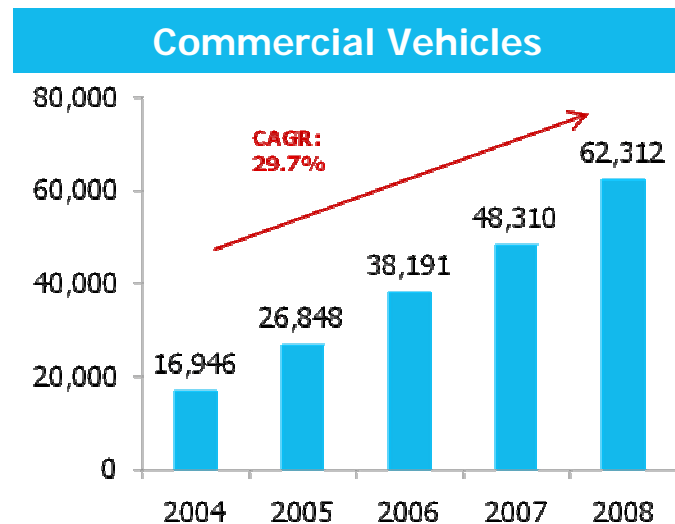
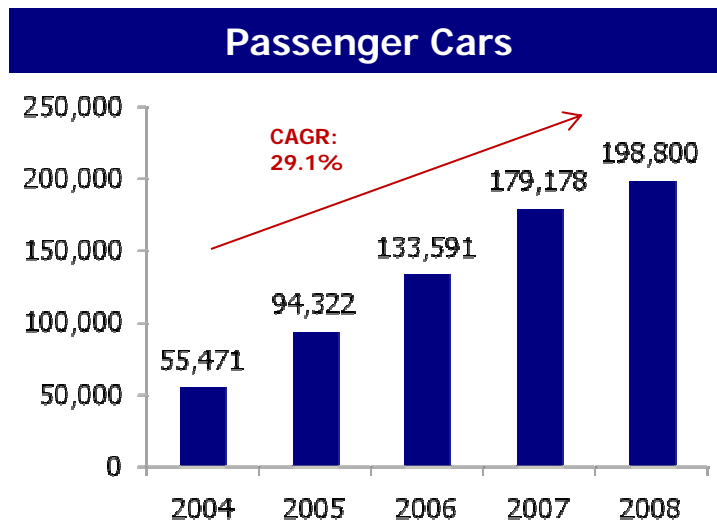
- ▶ Assembly of passenger cars and commercial vehicles (CKD) at 2 plants in Cairo and 1 plant in Sadat City
- ▶ Sales and distribution: Retail of CKD and CBU (imported) passenger cars, commercial vehicles, motorcycles and three-wheelers, and construction equipment
- ▶ Growing national after-sales service network with 6 passenger car and 6 commercial vehicle outlets (planned expansion to 25 PC and 10 CV)
- ▶ Partnerships with 41 independent automotive retailers
- ▶ Growing network of export partnerships, including buses with Marcopolo (GB Polo) and trailers in Algeria with Sentrax (GB-Allab Remourque)



# Remarkable Growth Through 9M2008, Recent Industry Challenges

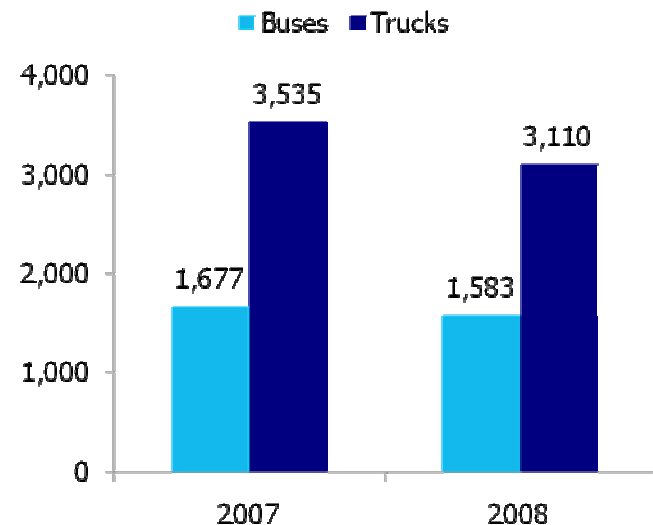
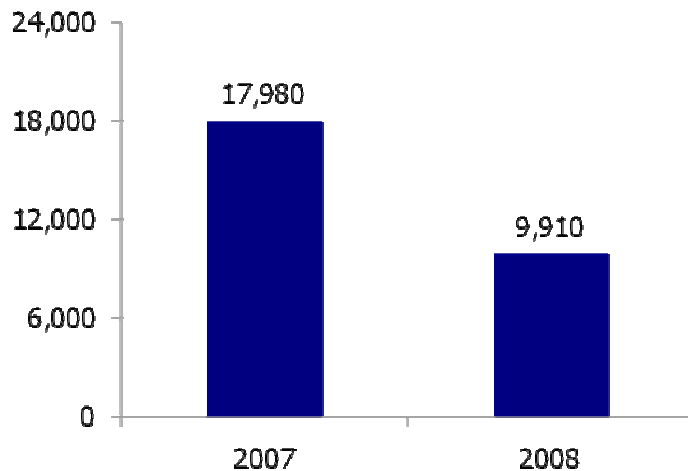
### Historical Market Size and Growth, 2004 to 2008

Vehicle Units



### Recent Market Size and Growth, Dec 2007 vs. Dec 2008

Vehicle Units





# Long-term Durability on the Back of Numerous Macro Drivers

Key Growth Drivers	Comments
1 Reduction of Import Duties on Cars	<ul style="list-style-type: none"><li>▶ Import duties on passenger vehicles with engine capacity &lt; 1.6 liters came down in 2004 from 105% to 40%. Duties are expected to continue decreasing as per the EU-Egypt Association Agreement.</li></ul>
2 Reduction of Income Taxes	<ul style="list-style-type: none"><li>▶ Consumer spending on everything from mobile phones to vehicles has boomed since the halving in 2006 of income taxes and is showing resilience despite a slowdown in growth.</li></ul>
3 Legislative Changes	<ul style="list-style-type: none"><li>▶ Legislation passed in summer 2008 will support demand over the coming two years by capping the age limit for passenger cars used as taxis, outlawing draw-bar trailers and allowing the licensing of three-wheelers (tuk-tuks) as motorcycles.</li></ul>
4 Increase in GDP/Capita Levels	<ul style="list-style-type: none"><li>▶ GDP per capita is approaching the USD 2,000 range, accelerating demand for cars, with multipliers of up to 2.5x the rate of GDP growth being sustained for several years. Income per capita at purchasing power parity now exceeds that of India and China.</li></ul>
5 Availability of Consumer Finance	<ul style="list-style-type: none"><li>▶ Auto loans have only recently been introduced to the Egyptian market. Although lately a booming sector, banks have slowed down consumer credit growth since 3Q08, particularly foreign banks in Egypt facing pressure from home offices.</li></ul>
6 Lingering Pent-Up Demand	<ul style="list-style-type: none"><li>▶ Demand repressed during the downturn of 2001-04 lingers, and new demand is being created by the rapid formation of a middle class. Current slowdown in sales is as a result of consumers' expectations of price cuts, not evaporation of demand.</li></ul>

**Consumption growth may continue to slow in 2009, but is expected to resume as the GDP growth accelerates**

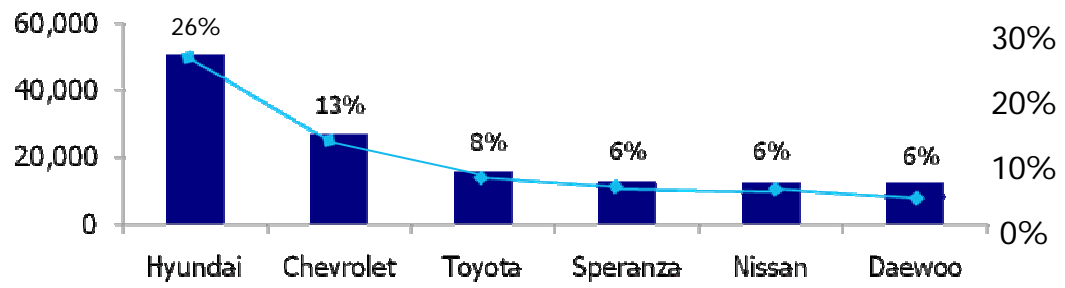


**Driving strong demand in Egypt's automotive market**



# GB Auto is the Undisputed Leader of the Egyptian Passenger Car Market

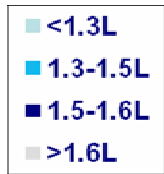
## Market Segmentation | as of end FY2008



▶ The nation's top selling PC brand, Hyundai has a market share of 26%, reflecting GB Auto's superior value proposition for consumers.

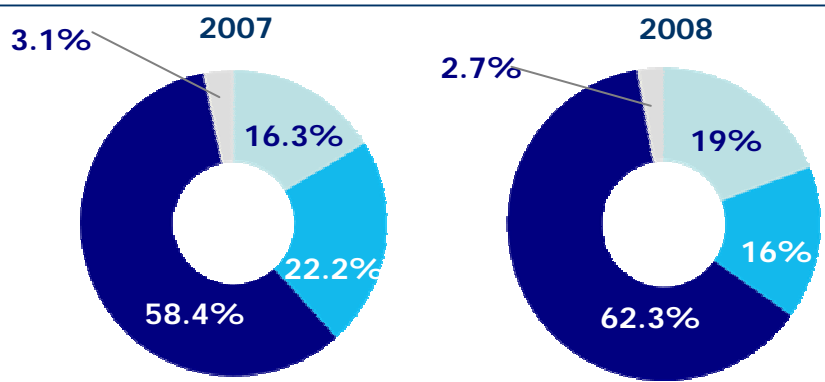
## Top 6 Brands

Vehicle units



## Engine Capacity

Vehicle units

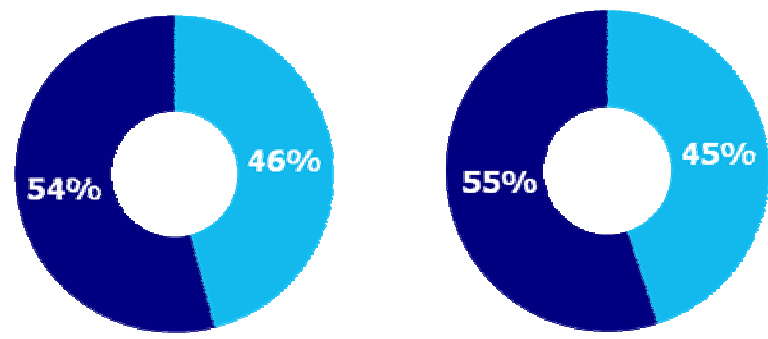


▶ 1.5 – 1.6 L engine capacity bracket enjoys preferential tariff on imports of CBU vehicles.



## CBU vs. CKD

Vehicle units



▶ Market skew toward CKD units in the first half of 2008 was due largely to supply constraints on popular CBU models. These constraints are now easing. Many players have suspended or slowed CKD assembly pending revival of demand.



# Factors Supporting GB Auto Competitive Advantages Over the Long-Term

- ➔ **Strong market position.** The largest player in the Egyptian automotive market in terms of sales revenue, market share, and production capacity. FY08 revenues of LE 5.2 billion • EBIT of LE 646.5 million.
- ➔ **Unparalleled distribution and after-sales network.** Largest distribution and after-sales network in the passenger vehicle and motorcycles and three-wheelers lines of business relative to competition. Ongoing investment to expand both passenger car and commercial vehicle after-sales networks.
- ➔ **Strong partnerships with leading global OEMs with access to 'best-in-class' products.** Strategic relationships as exclusive distributor and assembler of Hyundai passenger cars and commercial vehicles, Mitsubishi commercial vehicles, Volvo commercial vehicles and construction equipment, Linde materials handling equipment, Bajaj motorcycles and three-wheelers, and Lassa (Turkish) tires, among others.
- ➔ **Diversified business portfolio.** GB Auto boasts a highly diversified business portfolio (from cars to commercial vehicles and earth movers) with outstanding exposure to aftermarket.
- ➔ **Best-in-Class assembly and manufacturing operations.** Capitalize on Egypt's low-cost labor and production environment, leveraging existing operations and rolling out capacity expansions for passenger car assembly and trailers.
- ➔ **Impressive revenue growth and profitability.** Top-line compounded annual revenue growth over the past five years is 39.3%, as the Group exceeded sales of LE 5 billion in 2008, coupled with earnings of over LE 415 million that same year.
- ➔ **Untapped export potential.** Very strong export potential, particularly as regards locally-assembled and -manufactured commercial vehicles (buses and trailers) into the largely untapped and under-served markets of the Middle East and Africa.
- ➔ **Positive market outlook.** Current market slump owes in large part to consumers' expectations of price drops and some uncertainty as regards global economic outlook. Improving macro-economic environment will continue to drive consumption growth in the long term, and auto penetration remains low in Egypt and key export markets.



# GB Auto's Strategy is Built on 3 Core Axes

## Invest in Core Business

- ▶ Invest in an unmatched nationwide distribution and after-sales network
- ▶ Position products as having lowest ownership cost
- ▶ Create a "one-stop-shop" for consumers by vertically integrating sales, consumer finance and after-sales support functions
- ▶ Leverage GB Auto's image for adding value across all business units

## Export Opportunities

- ▶ Capture export opportunities in commercial vehicle manufacturing — particularly buses and trailers — by leveraging low-cost, highly-trained workforce at existing manufacturing and assembly facilities

## Strengthening Business Relations

- ▶ Strengthen business relationships with current partners while searching for the best partners for new lines of business

**Further entrench GB Auto's strong market position across the widest range of products**



**Make GB Auto indispensable to any OEM that wants to successfully operate in Egypt's automotive sector**



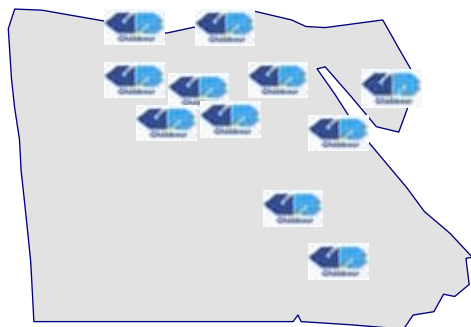
**Profitably capture domestic growth prospects and be positioned to successfully penetrate regional export markets**



# Significant Expansion in GB Auto's Distribution and After-Sales Coverage

TODAY

BY 2011



6 PC service centers  
6 CV service centers

Investing in unrivaled  
distribution and after-sales  
infrastructure



25 PC service centers  
10 CV service centers

- 1 Own and control the lion's share of retail sales
- 2 Further solidify leadership position in the market
- 3 Reinforce 'low cost of ownership' strategy throughout product range
- 4 Strengthen position vis-à-vis OEMs (Hyundai, Volvo, Mitsubishi, etc)
- 5 Leverage image and brand name across all lines of business

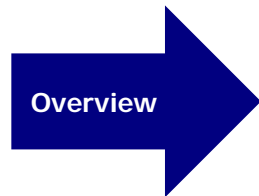
## II. Business Overview

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# Overview



Overview

72% of Group Sales

## Passenger Cars

- Import, retail distribution, fleet sales and assembly of cars



Description

- Exclusive agent and sole distributor for Hyundai
- Imports and distributes CBU units and assembles CKD units
- Showrooms with surface of 4,000m<sup>2</sup> (plans to add another 8,500m<sup>2</sup> or 12 rooms by the end of 2008)
- Large distribution and after-sales network with four 3S facilities (sales, service and spare parts) and 373 service bays (expected to increase by 164% to 983)
- Market share of 25.9% in Egypt in 2008
- 37,000-unit sales opportunity in 2009 alone, to replace taxis that are more than 20 years old



Brands



14% of Group Sales

## Commercial Vehicles

- Distribution (incl. financial services) of locally assembled trucks and buses

### Bus segment

- Exclusive agent for Mitsubishi, Volvo and Hyundai buses
- Assembles and distributes buses for public, commercial and tourism sectors
- JV with Marcopolo for 8,000 capacity bus-body assembly facility in Suez targeting local and export markets
- 2008 market share of 30.3% (excl. microbuses)

### Truck segment

- Exclusive agent for Mitsubishi, Volvo and Hyundai trucks
- Includes heavy, medium and light weight trucks
- 2008 market share of 16.0%

### Other

- 23,000-unit opportunity in Egypt as draw-bar trailers are banned and distribution JV in Algeria



11% of Group Sales

## Motorcycles & 3-Wheelers

- Local assembly of imported Semi Knocked Down (SKD) units and distribution

- Exclusive agent for Bajaj three wheelers (tuk-tuks) and motorcycles
- Distribution via three retail showrooms as well as network of local dealers
- Three after-sale services and spare parts centers
- 2008 market share in three-wheelers of 99% in Egypt



3% of Group Sales

## Others

- Includes tires, construction equipment, transportation services and export activities

### Tires

- GB Auto distributes passenger and light tires under a license with Lassa and is seeking a replacement for Double Coin bus, truck and off-road tires following imposition of anti-dumping duties

### Construction equipment

- Includes construction and material handling (forklifts) equipment supplied under licenses from Volvo, Linde and Ingersol Rand

### Transportation services

- Haram Transport Company is a fully owned subsidiary that operates over 200 buses in Alexandria and Dakahleya and provides cargo services with a fleet of 90 trucks





# GB Auto: Passenger Car Line of Business Overview

## Key Financial Data

(LE million)	2006	2007	2008
<b>Revenue</b>	<b>2,211</b>	<b>3,314.4</b>	<b>3,675.5</b>
<i>% growth</i>	-	49.9	10.9
<b>Sales Volume (units)</b>	<b>36,266</b>	<b>48,623</b>	<b>51,518</b>
<i>% growth</i>	-	34.1	6.0
<b>Gross Profit</b>	<b>357.5</b>	<b>447.2</b>	<b>613.1</b>
<i>% margin</i>	16.17	13.5	16.7

## Description

- ▶ Exclusive agent and sole distributor for Hyundai
- ▶ Imports and distributes Completely Built Up (CBU) units and assembles Completely Knocked Down (CKD) units
- ▶ Widest product range in the market, positioned as 'best value for money'
- ▶ Has the largest distribution and after-sales network of four 3S facilities (sales, service and spare parts), emphasizing 'lowest cost of ownership' in the market
- ▶ Recent launch of new products to further penetrate larger engine segment (>1.6L)
- ▶ Legislation has created 37,000-unit market opportunity for taxis in 2009 alone

## Key Products



Getz



Verna



Matrix



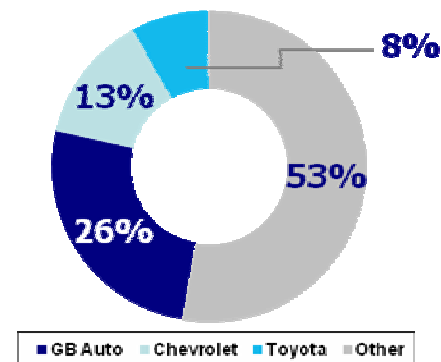
Santa Fe

1.0 L



SUV > 2.0 L

## Market Share (2008)



(in units)



# GB Auto: Commercial Vehicle Line of Business Overview I

## Key Financial Data

(LE million)	2006	2007	2008
<b>Revenue</b>	<b>417.1</b>	<b>590.0</b>	<b>740.9</b>
<i>% growth</i>	-	41.5	25.6
<b>Sales Volume (units)</b>	<b>1,914</b>	<b>2,638</b>	<b>3,227</b>
<i>% growth</i>	-	37.8	22.3
<b>Gross Profit</b>	<b>105.4</b>	<b>122.3</b>	<b>129.6</b>
<i>% margin</i>	25.3	20.7	17.5

## Description

### BUSES

- ▶ Exclusive agent for Mitsubishi, Volvo and Hyundai buses
- ▶ Products for public, commercial and tourism sectors
- ▶ Largest player in the mid- to large-bus market

### TRUCKS & TRAILERS

- ▶ Exclusive agent for Mitsubishi and Volvo trucks
- ▶ Target clients include fleet operators, contractors, and large industrial corporate
- ▶ Legislation has created 23,000-strong market opportunity for trailers in Egypt. JV trailer distribution agreement in Algeria recently signed.

## Key Products (Buses)



Mitsubishi  
Canter



Mitsubishi  
Rosa



Hyundai  
Aero



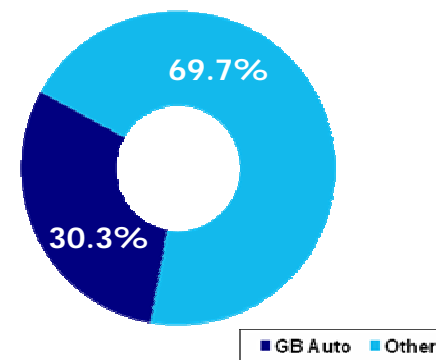
Volvo  
Splendido

Mini-bus



Large Coach

## Market Share (2008)

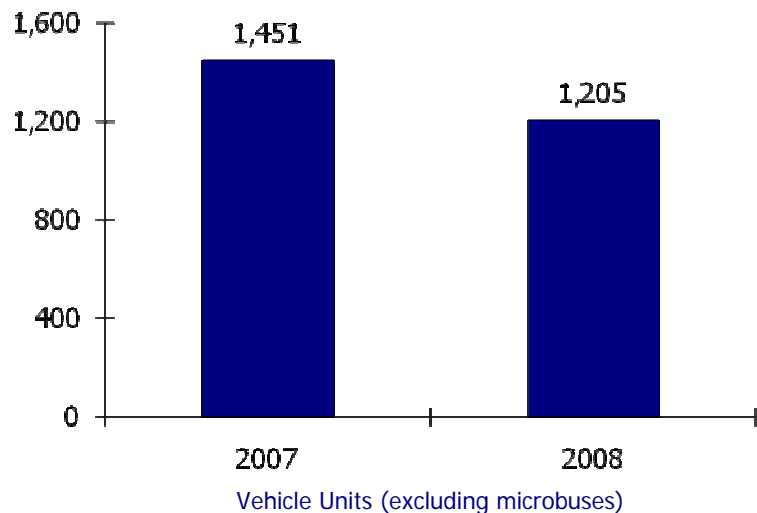


Buses (in units)

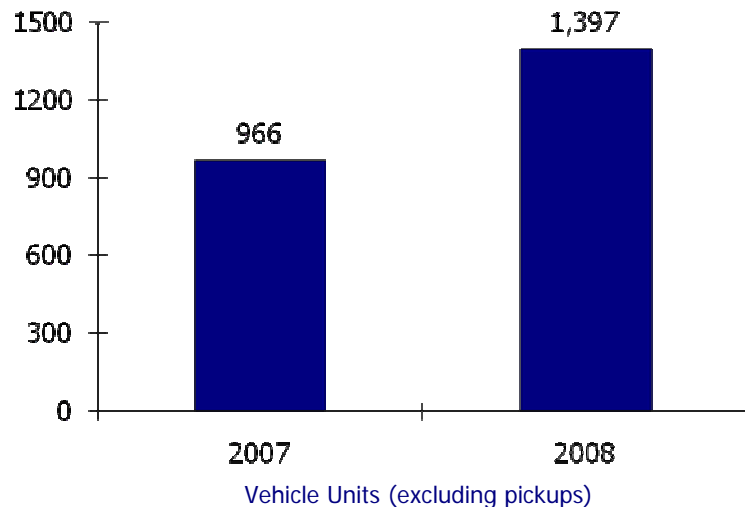


# GB Auto: Commercial Vehicle Line of Business Overview II

## Bus Sales



## Truck Sales



## Key Products (Trucks)



Mitsubishi Canter

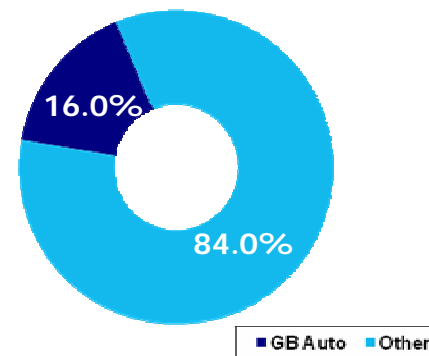


Mitsubishi Fuso



Volvo FH

## Market Share (2008)



Trucks and Trailers (in units)





# GB Auto: Motorcycle and Three-Wheeler Line of Business Overview

## Key Financial Data

(LE million)	2006	2007	2008
<b>Revenue</b>	<b>365.8</b>	<b>528.2</b>	<b>571.3</b>
<i>% growth</i>	-	44.4	8.2
<b>Sales Volume (units)</b>	<b>29,401</b>	<b>40,830</b>	<b>43,251</b>
<i>% growth</i>	-	38.9	5.9
<b>Gross Profit</b>	<b>53.0</b>	<b>86.1</b>	<b>115.1</b>
<i>% margin</i>	14.5	16.3	20.2

## Description

- ▶ Exclusive agent for Bajaj three-wheelers (auto-rickshaws or "tuk-tuks") and motorcycles
- ▶ Bajaj is the largest global manufacturer of three-wheelers
- ▶ Used for personal and commercial purposes in rural and low-income areas as an alternative to urban and peri-urban transport
- ▶ Recovery to historic growth rates on the back of recently approved traffic law to grant license for tuk-tuks to operate in the major cities

## Key Products (Three-Wheelers)

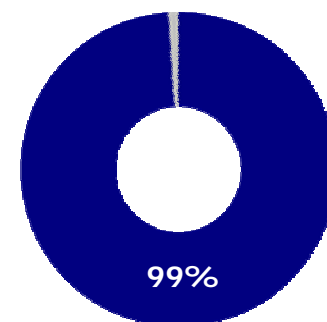


Motorcycles



Tuk-tuks

## Market Share (2008)



■ GB Auto ■ Other

Three-Wheelers  
(in units)

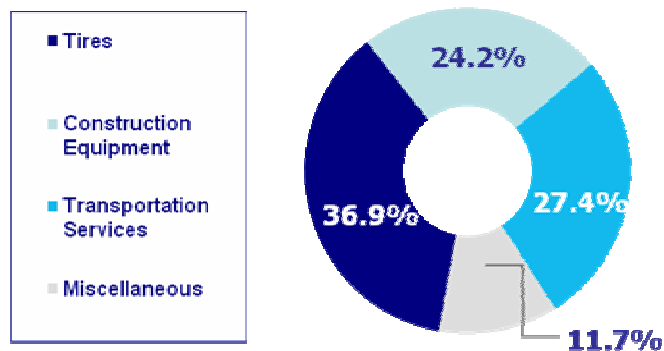


# GB Auto: Overview of Other Lines of Business

## Key Financial Data

(LE million)	2006	2007	2008
<b>Sales</b>	<b>109.4</b>	<b>197.4</b>	<b>204.7</b>
<i>% growth</i>		<i>101.0</i>	<i>3.7</i>
<b>Gross Profit</b>	<b>21.2</b>	<b>14.7</b>	<b>12.9</b>
<i>% margin</i>	<i>19.4</i>	<i>7.4</i>	<i>6.3</i>

## Sales Breakdown — 2008



## Description

### Tires

- ▶ GB Auto is the distributor for Lassa (Turkish) tires, which it retails in the marketplace and uses on CKD models assembled in its factories
- ▶ Actively searching for a replacement for Double Coin (Chinese) passenger and commercial vehicle tires after sales were hit by anti-dumping duties

### Construction Equipment

- ▶ Volvo construction equipment and Linde material handling equipment are at the heart of this LOB
- ▶ Have recently added Ingersoll Rand products to the portfolio on an exclusive basis
- ▶ Demand is supported by Egypt's ongoing investment in real estate and infrastructure

### Transportation Services

- ▶ Public passenger transportation services by participating primarily in the privatization of inter-city bus transport routes
- ▶ Cargo freight transportation for heavy industry as part of an emerging professional logistics services practice
- ▶ LOB now profitable using fixed-price contracts

### Miscellaneous

- ▶ Export activities including sale of commercial vehicles in Saudi Arabia, the UAE, Algeria and Ethiopia

### III. Recent Market and Corporate Developments

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# GB Auto: Recent Developments

## Business Development Highlights

- ▶ Building joint-venture bus assembly plant in Suez in partnership with global giant Marcopolo
- ▶ Trailer distribution joint venture with Sentrax in Algeria
- ▶ Pursuing new passenger transportation lines, capitalizing on new Cairo terminal
- ▶ Rolling out expansion of national service and sales centers
- ▶ Commercial vehicle leasing business now active (and insulated from customer defaults)
- ▶ Assessing alternatives to build a sustainable and growing tires business
- ▶ Surveying the market for interesting M&A opportunities and new representations of foreign brands
- ▶ New paint shop will allow annual production capacity for locally assembled CKD units to climb to as many as 100,000 units when it comes online in the second half of 2009
- ▶ Completion in November 2008 of our new trailer line with the ability to produce up to 6,000 units annually

## Corporate Development Highlights

- ▶ Post-IPO internal merger process now complete and LE 539.6 million of additional equity now booked
- ▶ Elimination of term debt and release of mortgages as at 31 December 2008
- ▶ HR restructuring involving the promotion and empowerment of mid-managers under direction of the firm's first chief human resources officer
- ▶ Appointment of four new c-suite executives with long global automotive industry experience who will help lead the company in the years ahead
- ▶ Upgrade and strengthening of audit function
- ▶ GB Auto was recognized by Hyundai Motor Corporation as one of its best five worldwide distributors in 2007 and the best distributor in Africa in 2007
- ▶ In April 2008, GB Auto won recognition from Mitsubishi Fuso Truck & Bus Corporation for its historical sales record



# Results Summary

(LE million)	4Q2008	4Q2007	% Change	FY2008	FY2007	% Change
Passenger Cars Revenues	558.3	951.5	-41.3	3,675.5	3,314.4	10.9
Commercial Vehicles Revenues	104.9	194.9	-46.2	740.9	590.0	25.6
Motorcycles & Three-Wheelers	187.7	139.8	34.3	571.3	528.2	8.2
Other Revenues	40.6	58.4	-30.5	204.7	197.5	3.6
<b>Total Sales Revenue</b>	<b>891.5</b>	<b>1,344.6</b>	<b>-33.7</b>	<b>5,192.4</b>	<b>4,630.1</b>	<b>12.1</b>
<b>Gross Profit</b>	<b>121.3</b>	<b>217.3</b>	<b>-44.2</b>	<b>872.3</b>	<b>670.2</b>	<b>30.2</b>
<i>Gross Profit Margin</i>	<i>13.6</i>	<i>16.2</i>	<i>-2.6</i>	<i>16.8</i>	<i>14.5</i>	<i>2.3</i>
Selling & Administration	-67.6	-100.8	-32.9	-277.0	-218.8	26.6
Others – Income / (Expenses)	5.5	3.2	71.9	32.2	18.3	76.0
<b>Operating Profit</b>	<b>59.2</b>	<b>119.7</b>	<b>-50.5</b>	<b>627.5</b>	<b>469.7</b>	<b>33.6</b>
<b>Net Provisions</b>	<b>13.9</b>	<b>112.4</b>	<b>-87.7</b>	<b>19.0</b>	<b>112.4</b>	<b>-83.1</b>
<b>EBIT</b>	<b>73.1</b>	<b>232.1</b>	<b>-68.5</b>	<b>646.5</b>	<b>582.1</b>	<b>11.1</b>
Foreign Exchange Gains (Losses)	-17.3	2.6	N/A	-18.3	2.8	N/A
Net Finance Cost	-33.7	-9.4	258.5	-116.2	-98.4	18.1
<b>Earnings Before Tax</b>	<b>22.1</b>	<b>225.3</b>	<b>-90.2</b>	<b>512.0</b>	<b>486.5</b>	<b>5.2</b>
Taxes	-8.3	-20.1	-58.7	-94.1	-50.7	85.6
<b>Net Profit Before Minority</b>	<b>13.8</b>	<b>205.2</b>	<b>-93.3</b>	<b>417.9</b>	<b>435.8</b>	<b>-4.1</b>
Minority Interest	-0.8	-2.1	-61.9	-2.0	-2.3	-13.0
<b>Net Income</b>	<b>13.0</b>	<b>203.1</b>	<b>-93.6</b>	<b>415.9</b>	<b>433.5</b>	<b>-4.1</b>
<i>Net Profit Margin</i>	<i>1.5</i>	<i>15.1</i>	<i>-13.6</i>	<i>8.0</i>	<i>9.4</i>	<i>-1.4</i>



## ▶ **Market Development**

- Market-wide, passenger car sales were down 44.9% in December 2008, with GB Auto sales declining 48.4%
- GB Auto bus sales declined 92.6% in 4Q08 as some orders from 3Q08 were returned unused. Without these returns, the decline in sales would have been 18.8%
- Sales of trucks, trailers, motorcycles, three-wheelers and construction equipment remain robust

## ▶ **Expectations Going Forward**

- Throughout 2009, GB Auto expects passenger car market volumes to be roughly on par with 2007, but will target a market share in the 30% range
- Shift in construction equipment and select commercial vehicle sales as a result of new government spending on civil works and infrastructure projects
- Soft bus sales as the global economic crisis continues to have a significant impact on tourism operators
- GB Auto expects to start seeing the benefits of reduced global raw materials prices in 2Q09
- Currency movements largely in favor of Korean brands and against Japanese brands
- Restriction of credit by some local banks to automotive industry has forced some distributors to cut prices to ensure cash flow



- ▶ Despite challenging market conditions, GB Auto has unique opportunities to pursue in 2009
- ▶ Investment will be cautious, but from a position of strength with a robust balance sheet free of term debt

## Export Opportunities

- GB Polo, a joint-venture bus assembly plant in Suez with global player Marcopolo, set to begin operations toward the end of 2009 with an initial capacity of 2,000 units targeting resilient MENA and African markets. Can also direct capacity to European and Egyptian markets when demand recovers
- GB-Allab Remourque, a new joint-venture trailer distributorship in Algeria with Sentrax, will capitalize on the recent completion of the trailer capacity expansion in Cairo

## Domestic Opportunities

- 37,000 unit opportunity market-wide in 2009 to supply passenger cars to a government program that mandates and subsidizes the replacement of taxis more than 20 years old
- 23,000 unit opportunity market-wide to replace trailers as a result of the phase-in over the coming years of a ban on draw-bar trailers
- New capacity in trailer assembly (completed 4Q08) and CKD paint shop (targeting completion in second half of 2009) along with easing CBU supply constraints allow flexibility to pursue these opportunities
- Potential opportunity to land new representations for foreign brands in Egypt, including a new tires franchise



## Cash Preservation and Cost Management Plan

- ▶ Management began work on plans for cash-preservation and cost management of overheads in 3Q08. The plan now includes:
  1. Heading into the first quarter of 2009, the company implemented measures that will cut structural costs by LE 100 million this year.
  2. In 1Q09, the company reduced its assembly and manufacturing workforce by 900 persons (13.2% of total workforce) through layoffs and attrition.
  3. A freeze on pay raises is in effect as of January 1, 2009.
  4. Senior management have accepted interim pay cuts in light of current market conditions.
  5. Sales and marketing expenses have been sharply curtailed.
  6. General expenses will continue to be scrutinized on an item-by-item basis.
  7. Employee expenses will continue to be closely monitored.
  8. With dealers well-stocked, manufacturing and assembly operations slowed significantly in the first quarter.
  9. Implementation of a common automotive purchasing department to realize new efficiencies and economies of scale.
  10. Implementation of a logistics and warehousing efficiency plan that goes hand-in-hand with efforts to reduce working capital primarily through inventory control and spare parts.



## Strengthening Key Management Team

- ▶ C-suite development program that began in 2008 with the engagement of Colin Sykes as CFO is now bearing fruit with the recruitment of noted industry veterans to staff key positions, including:
  - Amy Shoukry – Chief Human Resources Officer
    - Shoukry joins GB Auto after spending seven years at General Motors Egypt as HR Director.
  - Mark Kass – Chief Operating Officer: Passenger Vehicles
    - Kass takes over the company's passenger vehicle division after four years as Managing Director at Saudi Arabia's Alhamrani (Nissan and Infinity).
  - Timothy (Tim) Allen – Chief Operating Officer: Commercial Vehicles
    - Allen comes to GB Auto after 18 years at General Motors, most recently as Sales, Marketing and After Sales Director of GM Egypt.
  - Jayaraman Narayanan – General Manager: Motorcycles and Three-Wheelers
    - Narayanan assumes management of GB's motorcycle and three-wheeler LOB. He was previously responsible for building the Piaggio scooter business in India.

## IV. Financial Performance

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## Profit & Loss (2006–2008)

(LE million)	2006	2007	2008
Sales	3,103.3	4,630.1	5,192.4
<i>% growth</i>	-	49.2	12.1
Gross Profit	537.1	670.2	872.3
<i>% margin</i>	17.3	14.5	16.8
Depreciation & Amortization	17.2	35.6	51.0
EBIT	503.6	582.1	646.5
<i>% margin</i>	16.2	12.6	12.5
Net Income	281.5	433.5	415.9



## Balance Sheet (2006–2008)

LE million	2007	2008
Cash	266.3	124.2
Net Accounts Receivable	583.3	500.3
Inventory	612.1	1,345.2
Other Current Assets	194.8	230.8
<b>Total Current Assets</b>	<b>1,656.5</b>	<b>2,200.5</b>
Net Fixed Assets	1,022.3	1,194.6
Goodwill and Intangible Assets	187.6	188.7
Other Long-term Assets	35.3	44.8
<b>Total Long-Term Assets</b>	<b>1,245.2</b>	<b>1,428.1</b>
<b>Total Assets</b>	<b>2,901.7</b>	<b>3,628.6</b>
Short-term Notes and Debt	652.4	862.8
Accounts Payable	496.7	709.7
Other Current Liabilities	162.8	140.7
<b>Total Long-Term Liabilities</b>	<b>225.6</b>	<b>174.2</b>
<b>Total Liabilities</b>	<b>1,537.5</b>	<b>1,887.4</b>
<b>Minority Interest</b>	<b>14.2</b>	<b>15.0</b>
Common Stock	129.0	129.0
Shares Held with the Group	(3.3)	(3.3)
Legal Reserve	75.1	120.5
Other Reserves	1,069.3	1,024.3
Retained Earnings	79.9	455.7
<b>Total Shareholder's Equity</b>	<b>1,350.0</b>	<b>1,726.2</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>2,901.7</b>	<b>3,628.6</b>



## Passenger Cars (2006–2008)

(LE million)	2006	2007	2008
Total Market (units)	133,591	179,178	198,800
<i>% growth</i>	<i>41.6</i>	<i>34.1</i>	<i>11.0</i>
GB Auto (units)	36,266	48,623	51,518
<i>% growth</i>	<i>-</i>	<i>34.1</i>	<i>6.0</i>
Market Share %	27.1	27.1	25.9
Total Revenue*	2,211.1	3,314.4	3,675.5
<i>% growth</i>	<i>-</i>	<i>49.9</i>	<i>10.9</i>
Gross Profit	357.5	447.2	613.1
<i>% growth</i>	<i>-</i>	<i>25.1</i>	<i>37.1</i>

\*Includes after-sales revenue.



## Commercial Vehicles (2006–2008)

(LE million)	2006	2007	2008
Trucks (units)	694	966	1,397
<i>Market Share (%)</i>	<i>14.0</i>	<i>14.2</i>	<i>16.0</i>
Trailers (units)	111	227	625
<i>Market Share (%)</i>	<i>3.4</i>	<i>5.5</i>	<i>12.0</i>
Buses (units)	1,109	1,451	1,205
<i>Market Share (%)</i>	<i>31.0</i>	<i>33.2</i>	<i>30.3</i>
Total Commercial Vehicle Revenue*	-	590.0	740.9
<i>Commercial Vehicle Gross Profit (%)</i>	-	<i>20.7</i>	<i>17.5</i>

\*Includes after-sales revenue.



## Motorcycles & Three-Wheelers (2006–2008)

(LE million)	2006	2007	2008
GB Auto (units)	29,401	40,830	43,251
<i>% growth</i>	-	38.9	5.9
Motorcycles	2,603	3,255	6,636
Three-wheelers	26,798	37,575	36,615
Total Revenue*	365.8	528.2	571.3
<i>% growth</i>	-	44.4	8.2
Gross Profit	53.0	86.1	115.1
<i>% growth</i>	-	62.5	33.7

\* Includes after-sales revenue.



## Other Lines of Business (2006–2008)

(LE million)	2006	2007	2008
Total Revenue*	109.4	197.4	204.7
<i>% growth</i>	-	80.4	3.1
Tires	47.5	112.0	75.1
Construction Equip.	4.2	18.8	49.7
Transport Services	31.0	40.1	56.0
Miscellaneous	26.7	26.5	23.9
Gross Profit	21.2	14.7	14.6
Tires	6.4	13.9	11.2
Transport Services	8.7	-6.1	-5.6
Construction Equip.	1.2	2.1	7.7
Miscellaneous	4.9	4.8	1.3

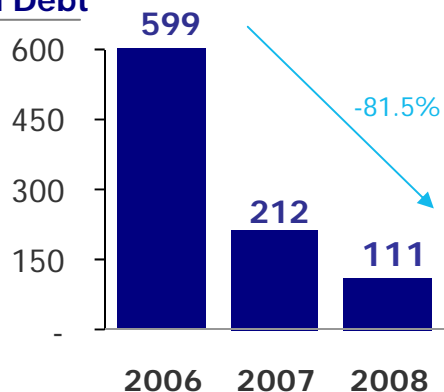
\* Includes after-sales revenue.



## In 2008 GB Auto Enhanced Financing Capabilities

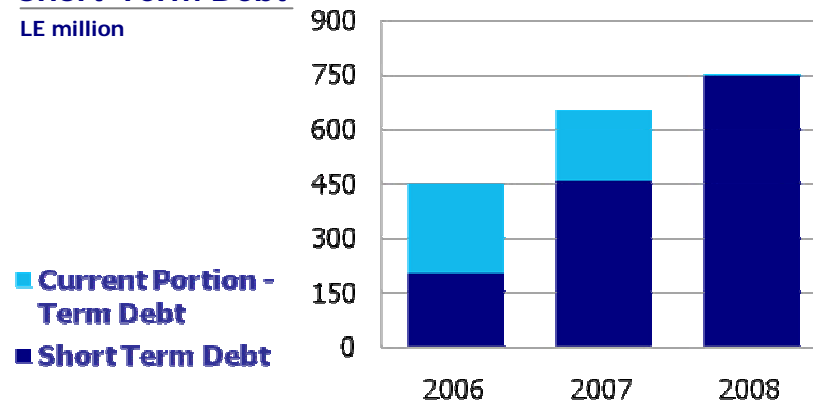
### Long-Term Debt

LE million



### Short-Term Debt

LE million



- ▶ Long-term debt decreased significantly as a result of debt restructuring.

- ▶ Current Portion Long Term Debt decrease as result of repayment schedule of historical bank debts
- ▶ Short-term borrowings associated with working capital grew in line with overall growth

***Dramatic changes in debt structure have significantly enhanced term debt capacity***

***There are no longer mortgages on the company's assets following settlement of the term debt.***

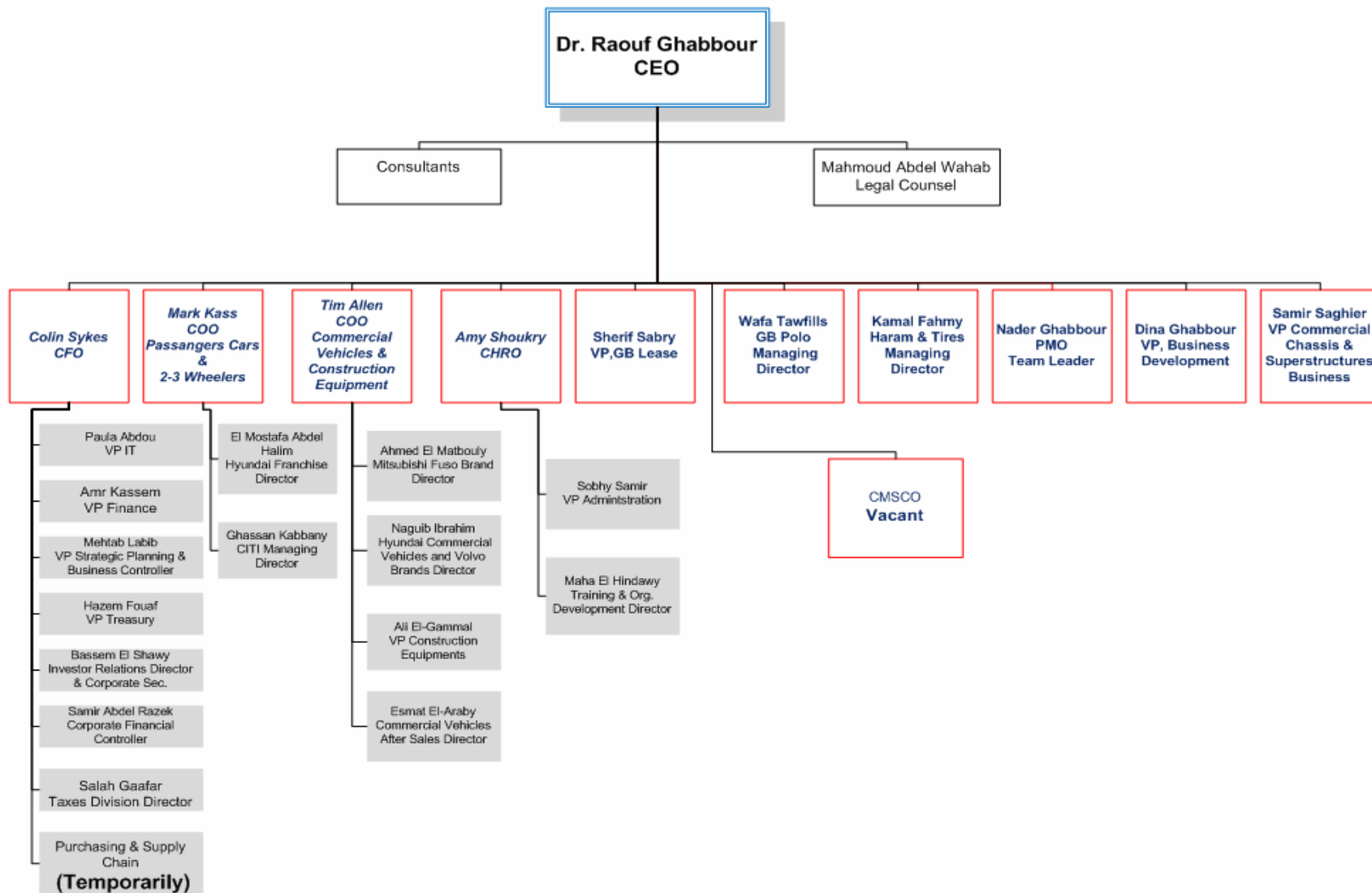
## I. Appendix

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# Organization Structure





## GB Auto



**Itamco**  
(Passenger Transportation)

**Ghabbour Egypt**  
(Commercial Transportation)

**Haram Transport**  
(Passenger & Cargo Services)

**GB Leasing**  
(Financing)

**GB Polo**  
(JV Bus Assembly)



# Institutionalization of corporate governance begins with a majority independent-led board of directors

- 1 **Mr. Mohamed Abdel Wahab**, (Non-Executive Chairman) a well-renowned political figure in Egypt, served as the former Minister of Industry. Mr. Abdel Wahab is a former Chairman of El Nasr Automotive Manufacturing Company (NASCO), the state-owned auto manufacturer which was the sole market player in the Egyptian automotive industry leading up to the privatization of the sector in 1992. Mr. Abdel Wahab brings to the Board of Directors deep-rooted industry experience.
- 2 **Dr. Raouf Ghabbour**, the Chief Executive Officer, is the founder of The Ghabbour Group of Companies, which he began incepting in 1985. Dr. Ghabbour jump-started his career working in his family's auto-related trading business, where he initially established himself in the tire division. Having quickly gained a commendable reputation in the market for his business savvy, Dr. Ghabbour went on to acquiring agency agreements from global OEMs, which he steadfastly turned into successful businesses. Dr. Ghabbour has grown the Company to be a market leader, employing around 6,000 employees, operating 3 factories and running over four 3S facilities (Show room, Service and Spare parts) and 9 retail outlets.
- 3 **Eng. Mohamed Salah El Hadary** (independent director) is currently serving as the Secretary-General of the Egyptian Automotive Manufacturers' Association (EAMA) and brings to the board a wealth of automotive expertise on the back of his experience serving as the managing director of Suzuki Egypt Company and as the managing director and board member of El Nasr Automotive Manufacturing Company (NASCO).
- 4 **Mr. Byung-Ho Sung** (independent director) is a former executive of the Hyundai Motor Company passenger vehicle operations in South Korea and India. Mr. Sung also gained insight as to the dynamics of the local market during his post as the executive vice-president of the Kia Motor Company's Middle East headquarters.
- 5 **Mr. Roger Rau** (independent director) is a former president of the Volvo bus and truck operations in Germany. Mr. Rau also has experience managing commercial vehicle and construction equipment operations in neighboring markets, particularly Saudi Arabia. Mr. Rau has dedicated the past thirty years of his career in restructuring distressed divisions of automotive companies, and has become reputable for his success in managing healthy turnarounds.
- 6 **Mr. Juan Carlos Callieri** (independent director) recently retired as the Senior Industry Specialist of the automotive sector at the International Finance Corporation based in Washington DC. Throughout his tenor, Mr. Callieri was responsible for all investments made by the IFC in automotive and related companies with the additional task of helping shape the business development strategy of some of the most successful automotive manufacturers and distributors in emerging markets.
- 7 **Mr. Aladdin Hassouna Saba** (independent director) is the co-founder and Chairman of Beltone Financial, a leading regional financial services institution operating in the fields of Investment Banking, Asset Management, Private Equity, Brokerage and Equity Research. Mr. Saba is also a founding member of The Egyptian Investment Management Association, in addition to The Egyptian Capital Markets Association. Mr. Saba sits on the boards of The Cairo and Alexandria Stock Exchange, National Bank of Egypt, various corporations and Investment funds.
- 8 **Dr. Walid Sulaiman Abanumay** (independent director) has been the Managing Director of Al-Mareefa Al Saudia Company since 1997, where overlooks investments in both developed and emerging markets. Mr. Abanumay, has held several executive roles: between February 1993 and January 1994, he was the General Manager of the Investment Department of the Abanumay Commercial Center. Between November 1990 and February 1993, he worked in the Treasury and Corporate Bank department of SAMBA. Mr. Abanumay is Board member of several prominent companies: Madinet Nasr for Housing and Development (since 1998), and Raya Holding (since 2005), and Beltone Financial.
- 9 **Mr. Mohamed Naguib Ibrahim** (independent director) was appointed as a General Manager of the largest leasing company in Egypt, International Company of Leasing "Incolase", and became the Managing Director in 2003. Mr. Ibrahim was also appointed to serve on the boards of several local and international companies, among which, are Glaxo Welcome Egypt, Middle East for Glass, Global Management Company (Milbank's venture capital fund management company), Stilco Company (Public sector), Allweiler Farid Company & ESB Securities. Finally, Mr. Ibrahim was appointed to the board of The General Authority for Investment (GAFI) in 2007.

Thank you

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