



**GB Auto**  
**"Everything on Wheels"**

**Investor Presentation | February 2008**



Ghabbour Auto

## I. Executive Summary

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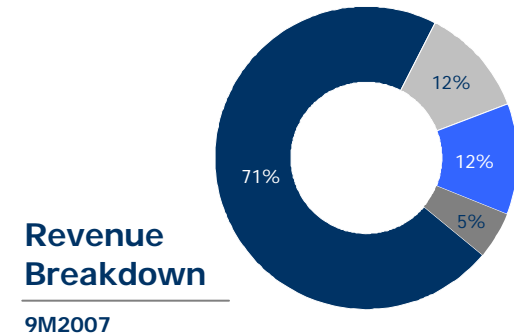
# GB Auto...

- ... is the leading player in the automotive market.
- ... is a commercial operation, focused on the distribution and servicing of automotive vehicles and related products, providing transportation solutions to its clientele.
- ... has a dominant market share in the domestic passenger car market, the largest player in the three-wheeler market, and has a rapidly growing presence in the commercial vehicle market.
- ... operates activities throughout the value chain:



... engages in four primary lines of business:

<ol style="list-style-type: none"> <li>1. <b>Passenger Cars</b></li> <li>2. <b>Commercial Vehicles</b></li> <li>3. <b>3-wheelers &amp; Motorcycles</b></li> <li>4. <b>Other: Tires Construction Equipment Transportation Services</b></li> </ol>	
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... has built a strong reputation in the local market as “standing behind its customers” and is renowned for providing an unmatched after-sales service network.

**GB Auto = Dominant Market Position + Diverse Product Base**

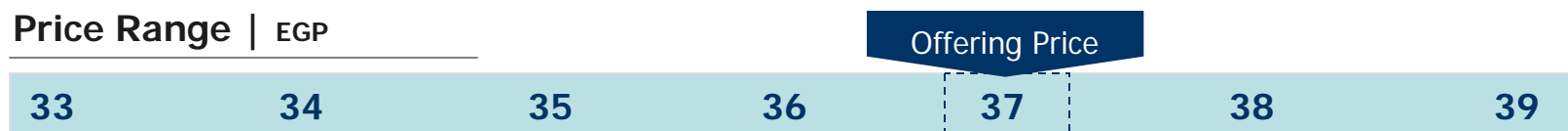


On July 9, 2007 GB Auto shares began trading on the CASE, after successfully raising EGP 1.2 billion worth of new shares in an IPO...

### Offering Structure

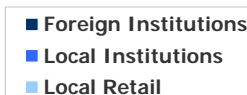
<b>Primary Offering (Capital Increase)</b>	Private Placement	:	25,663,000 shares
	Public Offering	:	<u>7,500,000 shares</u>
	<b>Total Capital Increase</b>		<b><u><u>33,163,000 shares</u></u></b>
<b>Secondary Offering</b>	Private Placement	:	1,676,100 shares
<b>TOTAL OFFERING SIZE</b>			<b>34,839,100 shares</b>

### Price Range | EGP



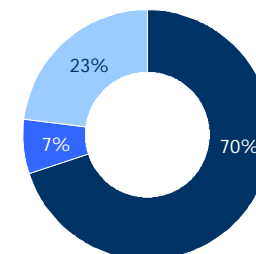
### Subscription Highlights

- ▶ Private Placement 7x oversubscribed
- ▶ Public Offering 4x oversubscribed
- ▶ Approximately 12,000 participants in Public Offering



### Geographical Distribution

Subscriber Base



### IPO Proceeds

- ▶ Expansion of distribution and after-sales network nation-wide
- ▶ Investment in new "jigs" and fixtures to support CKD model expansion
- ▶ Capitalization of leasing and finance "NewCos"
- ▶ Financing inventory build-up
- ▶ Other general corporate purposes



...since then, GB Auto has been consistently outperforming the CASE



## II. GB Auto Overview and Historical Performance

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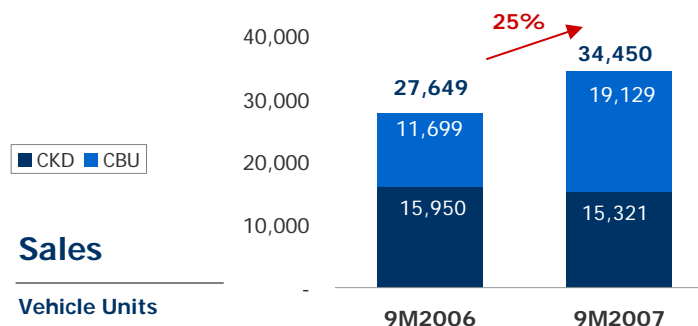




# GB Auto dominates the passenger vehicle market in Egypt...

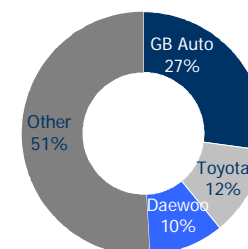
## PASSENGER CARS

- ▶ 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)
- ▶ Recent launch of new products to further penetrate larger engine segment (>1.6L)



## Market Share (in units)

9M2007



Getz



Verna



Matrix



Santa Fe

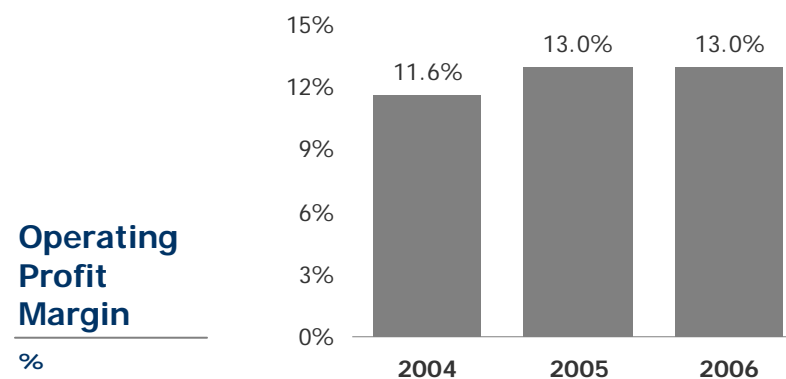
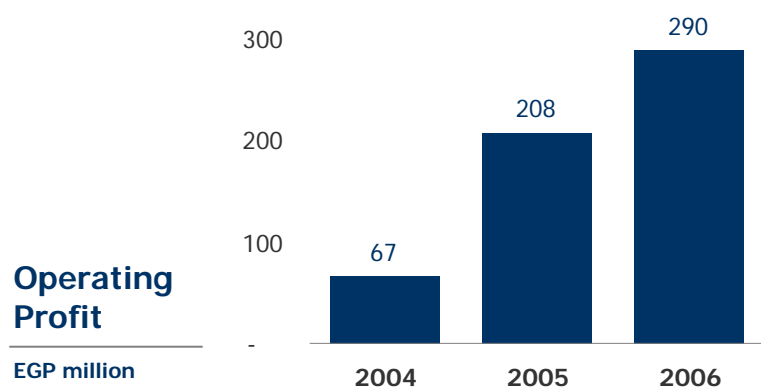
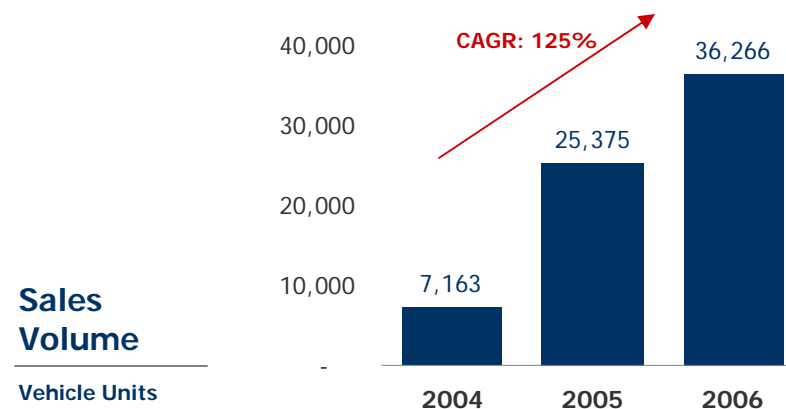
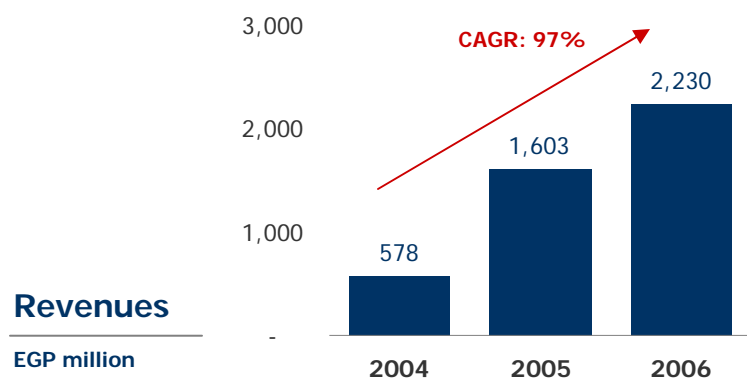
1.0 L



SUV > 2.0 L



# LoB Historical Performance: Passenger Cars

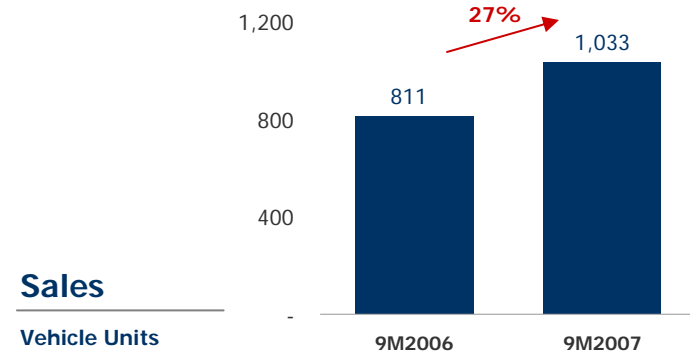




# Robust product offering in buses...

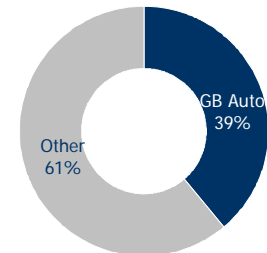
## COMMERCIAL VEHICLES: BUSES

- ▶ Exclusive agent for Mitsubishi, Volvo and Hyundai buses
- ▶ Assembles and distributes buses targeting the public, commercial and tourism sectors
- ▶ Ghabbour is the largest player in the mid- to large-bus market



### Market Share (in units)

9M2007, exc. microbus



Mitsubishi Canter



Mitsubishi Rosa



Hyundai Aero



Volvo Splendido

mini-buses



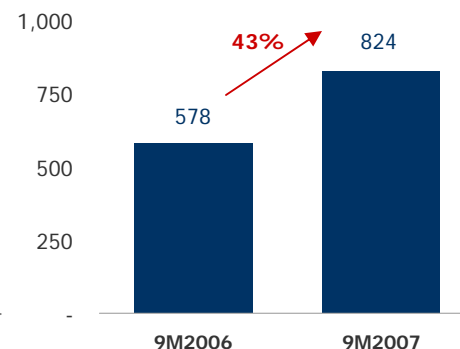
large coach



# ...and rapidly growing presence in the Truck market

## COMMERCIAL VEHICLES: TRUCKS & TRAILERS

- ▶ Exclusive agent for Mitsubishi and Volvo trucks
- ▶ Target clients include fleet operators, contractors, and large industrial corporates
- ▶ Massive growth potential in the Egyptian market especially in heavy-truck segment (2,000 heavy-trucks sold in 1998, while only 650 sold in 2006)

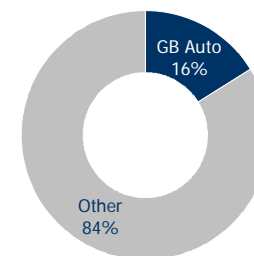


### Commercial Vehicle Exports:

- ▶ Currently limited export activity to neighboring markets
- ▶ Focus going forward on upgrading product depth and quality to further penetrate export markets

### Market Share (in units)

9M2007, exc. Pick ups



Mitsubishi Canter



Mitsubishi Fuso



Volvo FH (heavy-duty)

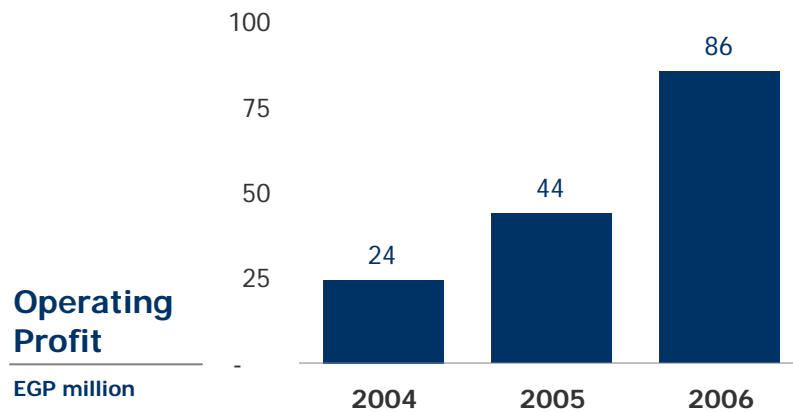
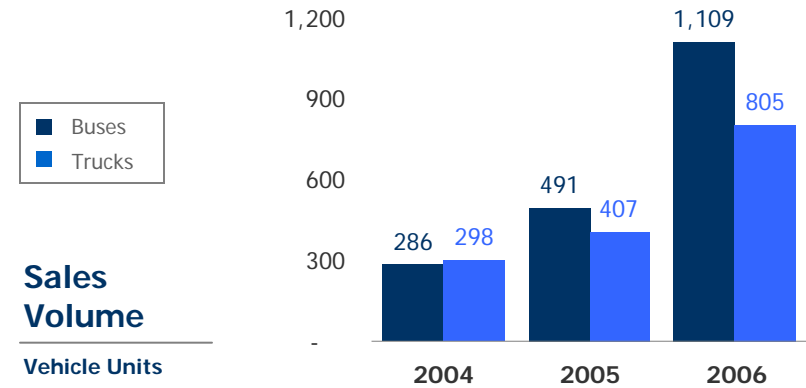
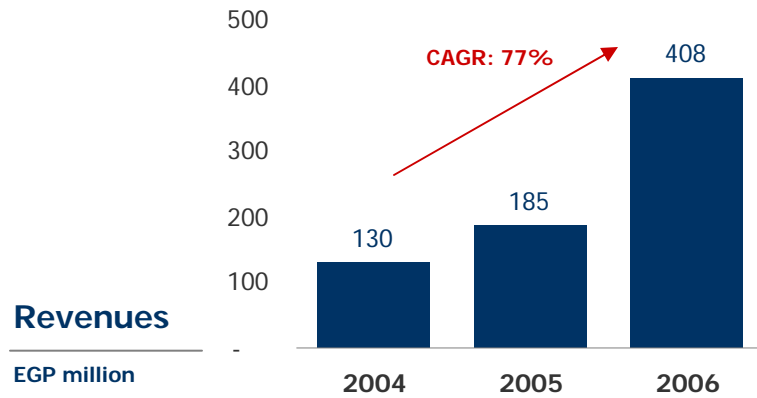
light-truck

medium-truck

heavy-truck



# LoB Historical Performance: Commercial Vehicles





# GB Auto is creating the 2- and 3-Wheeler Market...

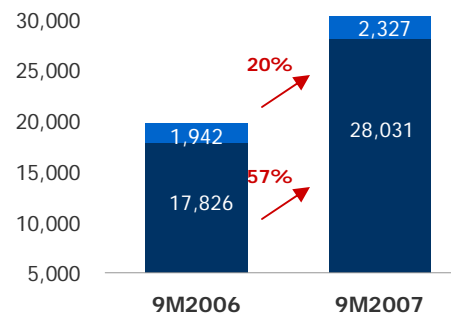
## THREE-WHEELERS AND MOTORCYCLES

- ▶ 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
- ▶ Potential for growth on the back of government plans to grant license for “tuk-tuks” to operate in the major cities



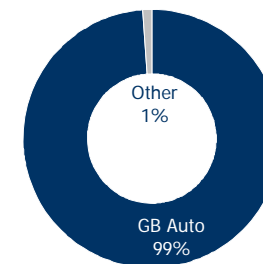
### Sales

Vehicle units



### Market Share (in units)

9M2007

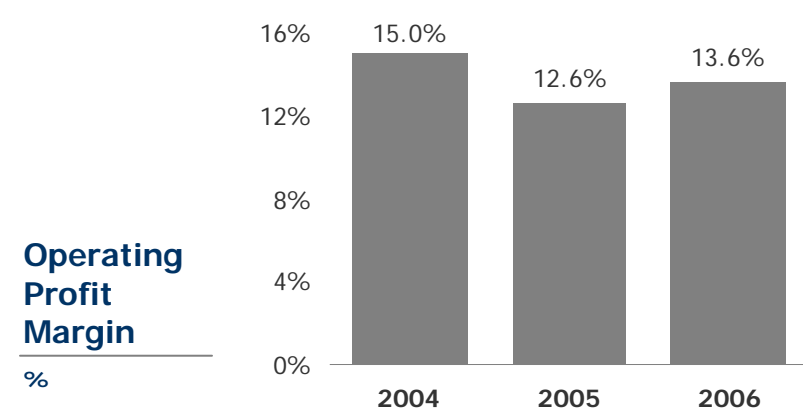
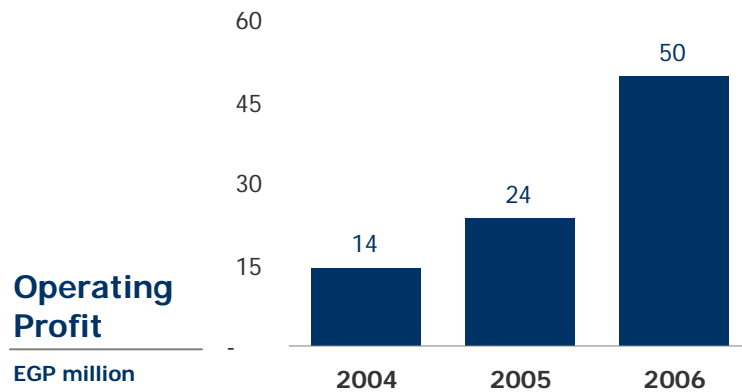
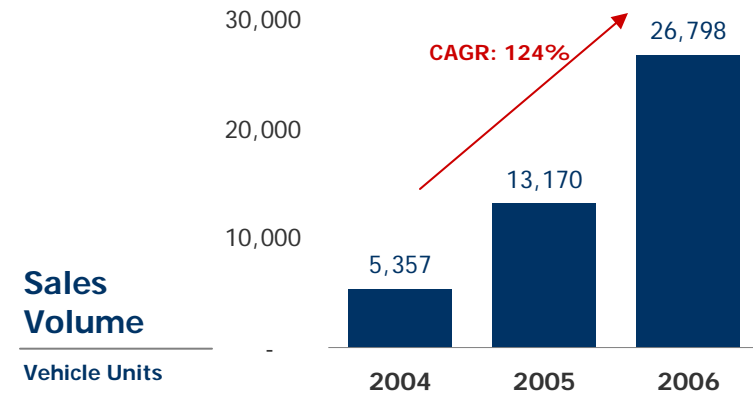
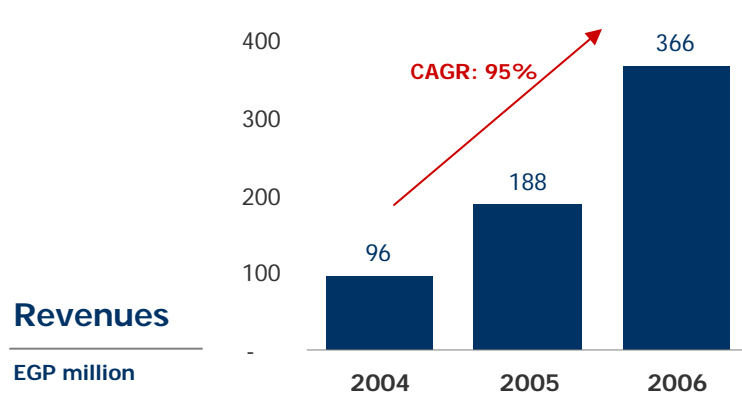


motorcycles

tuk-tuks



## LoB Historical Performance: 2- and 3-wheelers



## OTHER

### ▶ Tires:

- Ghabbour is the distributor of Lassa (Turkey) passenger car tires and Double Coin (China) truck and bus tires



Car tires

CV tires

### ▶ Construction Equipment:

- Ghabbour supplies Volvo construction equipment and Linde material handling equipment

### ▶ Transportation Services (*New Business*):

- Public passenger transportation services by participating in inter- and intra-city privatization of bus transport
- Private cargo freight transportation for heavy industries (professional logistics services)



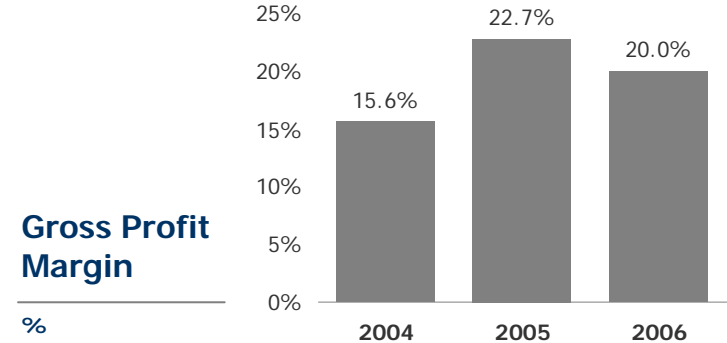
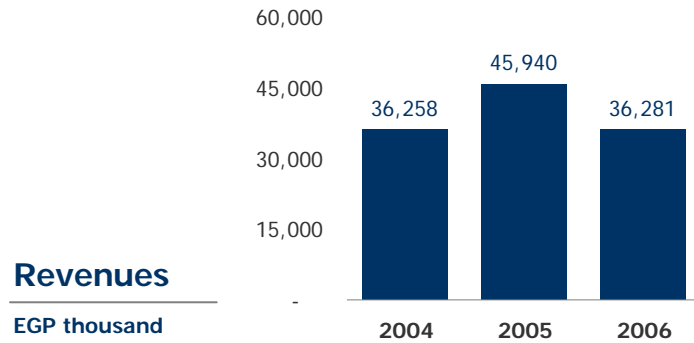
material handling

earth-moving

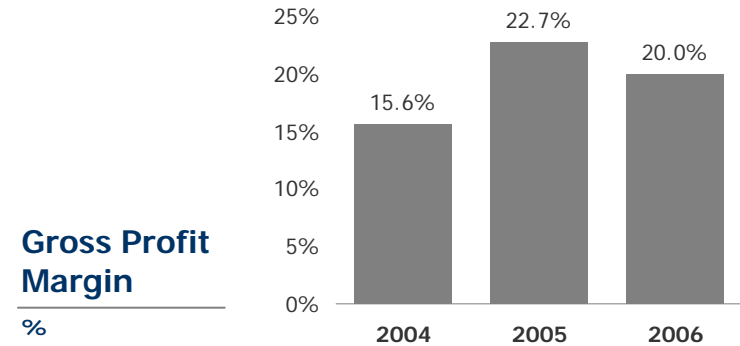
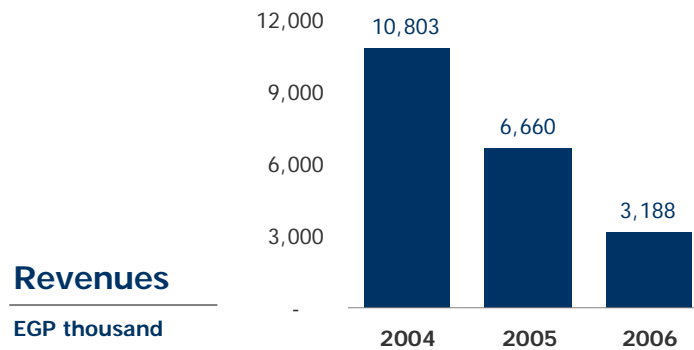


# LoB Historical Performance: Tires and Construction Equipment

## TIRES



## CONSTRUCTION EQUIPMENT





## GB Auto's strategy is built upon 3 core axes

### 1 Increase market share throughout all lines of business by:

- Invest in an unmatched nation-wide distribution and after-sales network infrastructure;
- Position products as having lowest 'ownership cost';
- Create a 'one-stop-shop' for the clientele by vertically integrating sales, consumer financing and after-sales support functions; and
- Leverage GB Auto's value-adding image from one business unit to the other.

### 2 Capture export opportunities in commercial vehicle manufacturing (mainly buses and trailers) by leveraging Egypt's low cost availability of labor

### 3 Strengthen business relations with current partners while searching for the right partners for new businesses

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



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



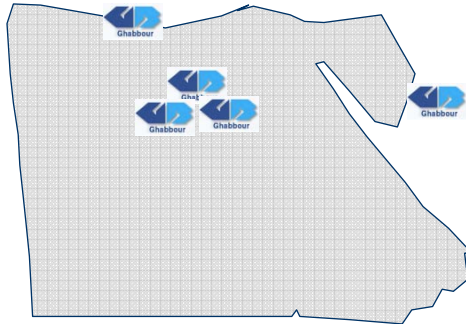
Profitably capture domestic growth prospects and be positioned to successfully penetrate regional export markets



# Significant expansion in GB Auto's distribution and after-sales geographic coverage – the winning strategy

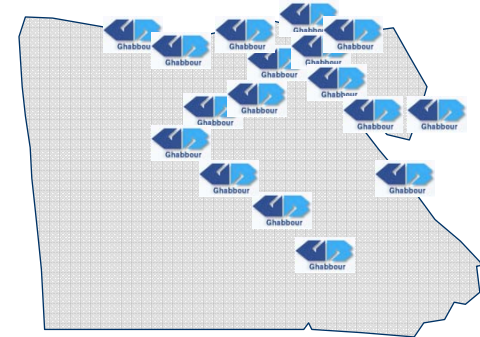
TODAY

BY 2009



6 PC service centers  
(383 PC service bays)  
4 CV service centers  
(25 CV service bays)

Investing in unrivaled  
distribution and after-sales  
infrastructure

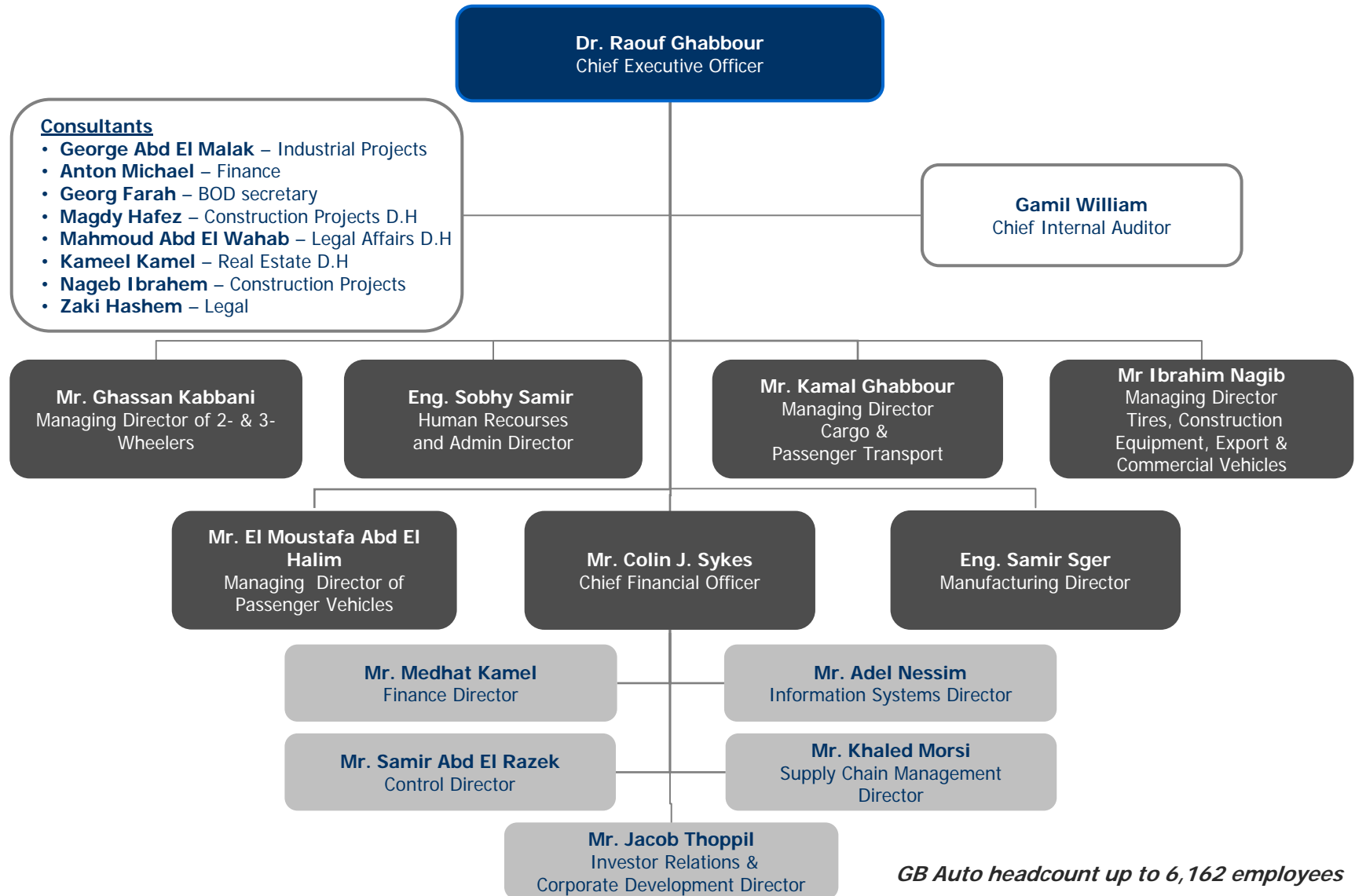


14 PC service centers  
(841 PC service bays)  
8 CV service centers  
(67 CV service bays)

- 1 Enables GB Auto to own and control the lion's share of retail sales
- 2 Further solidifies GB Auto's leadership position in the market
- 3 Reinforces GB Auto's 'low cost of ownership' strategy throughout its product range
- 4 Strengthen GB Auto's position vis-à-vis the OEM (i.e Hyundai, Volvo, Mitsubishi)
- 5 Leverage GB Auto's image and brand name across the various lines of business



# The Company has experienced HR restructuring involving the promotion of division heads and the recruitment of key corporate positions



*GB Auto headcount up to 6,162 employees*

# 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.

### III. Review of the Egyptian Auto Market

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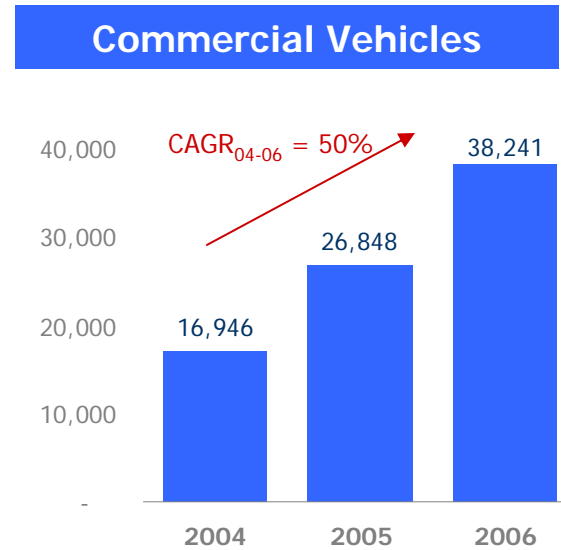
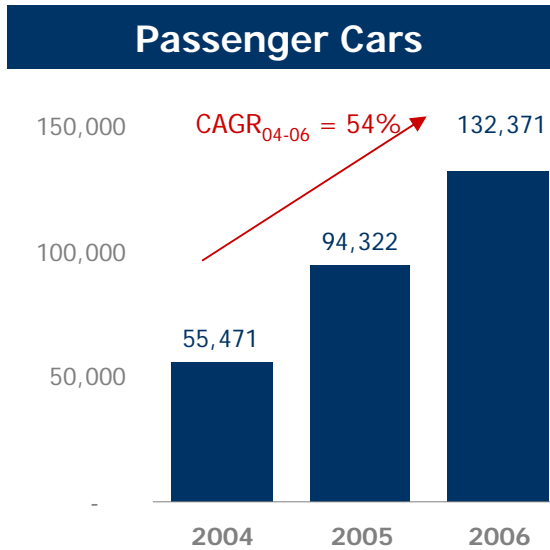




# The Egyptian Automotive industry is experiencing remarkable growth...

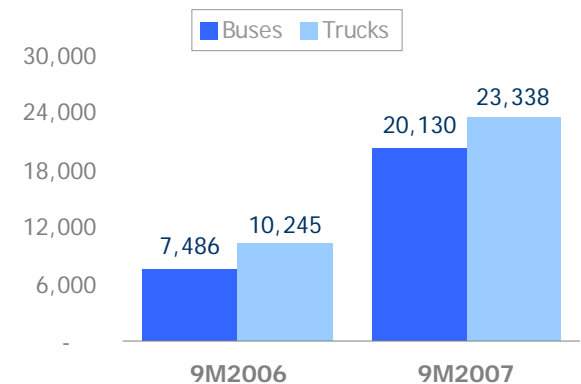
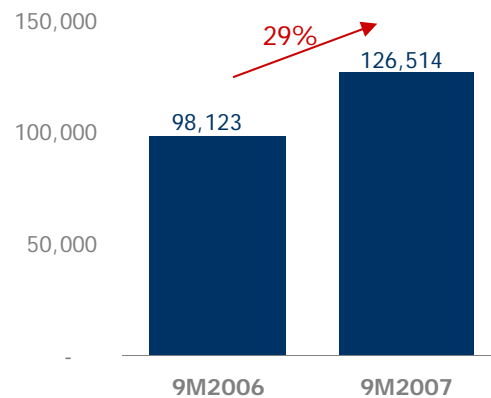
### Historical Market Size and Growth, 2004 to 2006

Vehicle Units



### Recent Market Size and Growth, 9M2006 vs. 9M2007


Vehicle Units



...which is expected to continue on the back of numerous macro drivers

Key Growth Drivers	Comments
<p><b>1</b></p> <p><b>Reduction of Import Duties on Cars</b></p>	<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 Free Trade Agreement. The impact on price reductions and consequent increase in affordability is a lasting factor that will improve further as duties continue to reduce.</li> </ul>
<p><b>2</b></p> <p><b>Reduction of Income Taxes</b></p>	<ul style="list-style-type: none"> <li>▶ Income tax reductions from 40% to 20% went into effect in 2006, significantly increasing individual's disposable income which is also considered to be a lasting factor in driving demand and consumption patterns.</li> </ul>
<p><b>3</b></p> <p><b>"Pent-up" Demand</b></p>	<ul style="list-style-type: none"> <li>▶ During the economic downturn of 2001 – 2004, the related uncertainty made people postpone important buying decisions like those of a car. As economic growth resumes, as has been the case over the past couple of years, and consumer confidence is restored, that repressed demand becomes active and drives consumption.</li> </ul>
<p><b>4</b></p> <p><b>Increase in GDP/Capita Levels</b></p>	<ul style="list-style-type: none"> <li>▶ As average economic income grows, disposable income also grows further driving demand. In the specific case of cars, empirical results have shown that as GDP/Capita approaches the USD2,000 range, demand for cars accelerates, with multipliers of up to 2.5x the rate of GDP growth being sustained for several years.</li> </ul>
<p><b>5</b></p> <p><b>Availability of Consumer Finance</b></p>	<ul style="list-style-type: none"> <li>▶ Auto loans have only recently been introduced to the Egyptian market and are now rapidly growing as commercial banks and new leasing companies are now offering competitive products. A sizable segment of Egyptian society who would have never had an opportunity to purchase a car is now able to do so thereby substantially expanding the market's potential.</li> </ul>

**Impressive growth in Egyptian consumption patterns expected to continue and accelerate**



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

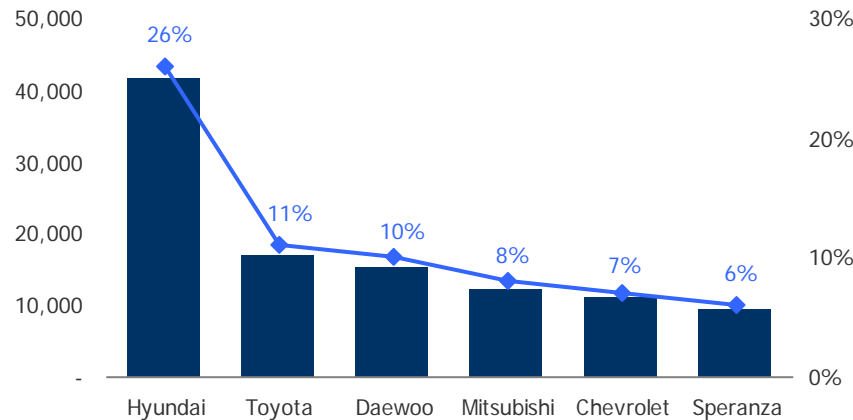


# GB Auto is the undisputed leader of the passenger car market

## Market Segmentation | as of November 30 2007

### Top 6 Brands

Vehicle units

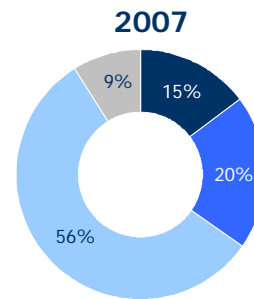
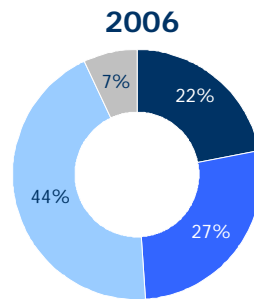
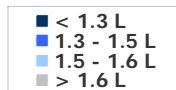


Passenger car market grew by 34% year-on-year in 11M07 to reach 161,241 units

Hyundai remains the top selling brand with a market share of 26%; its dominant market share reflects its continued superior competitive position vis-à-vis customers by continuing to deliver the best value-for-money proposition

### Engine Capacity

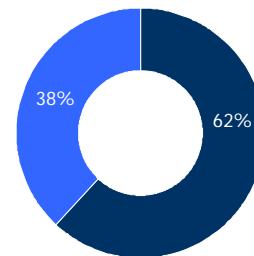
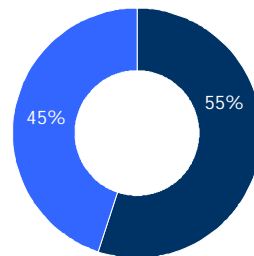
Vehicle units



Market segmentation is more heavily skewed toward vehicles with engine capacity of 1.5 – 1.6 L, which is the highest bracket enjoying reduced tariffs

### CBU vs. CKD

Vehicle units



Overall market is characterized by capacity constraints, whereby CKD sales increased by 12% y-o-y in 11M07 while CBU sales increased by 51% in the same period

## IV. Investment Synopsis

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## GB Auto enjoys an unparalleled position in a market with tremendous growth potential

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- ➔ **Dominant Market Position.** GB Auto is the largest player in the Egyptian automotive market in terms of sales revenue, market share, and production capacity.
- ➔ **Unparalleled Distribution and After-sales Network.** GB Auto boasts the largest distribution and after-sales network in the passenger vehicle and motorcycles and 3-wheelers lines of business relative to competition, allowing the company to own and control a significant portion of retail sales.
- ➔ **Strong partnerships with leading global OEMs with access to 'best-in-class' products.** GB Auto has strategic relations in place as the 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 3-wheelers, and Lassa (Turkish) and Double Coin (China) tires.
- ➔ **Diversified Business Portfolio.** GB Auto boasts a highly diversified business portfolio (from 2-wheelers to earth movers, and everything in between) adding overall financial stability to fluctuations in any specific line of business.
- ➔ **Impressive revenues growth and profitability.** GB Auto's top line compounded annual revenue growth over the past three years is over 77%, as the Group exceeded sales of EGP 3 billion in 2006, coupled with earnings of over EGP 300 million in 2006.
- ➔ **Untapped export potential.** GB Auto has identified massive export potential, particularly in relation to the exporting of locally-assembled and -manufactured commercial vehicles, notably buses and trailers, into the largely untapped and underserved markets of the Middle East and Africa.
- ➔ **Positive market outlook.** The Egyptian automotive market is witnessing impressive growth rates, which is expected to continue over the coming several years driven by the improving macro-economic environment driving consumption patterns, coupled with existing low auto penetration rates relative to comparable emerging markets.

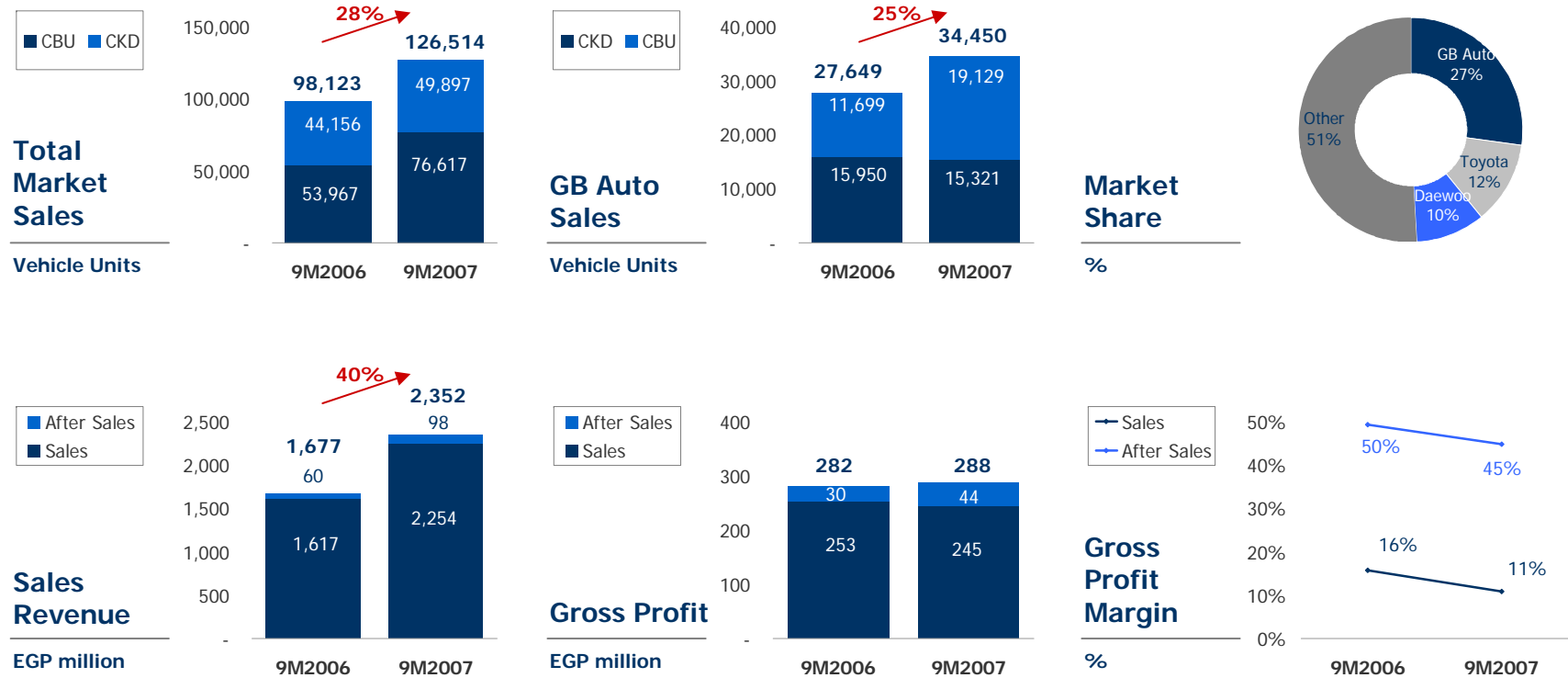
## V. 9M2007 Performance and Recent Developments

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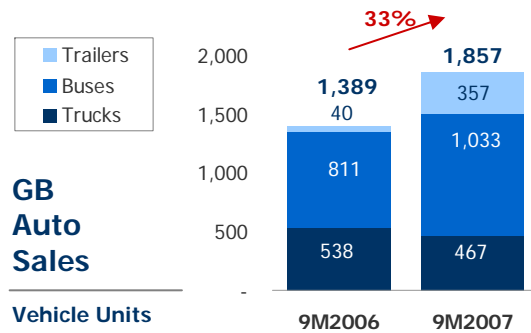
# GB Auto dominates the passenger vehicle market in Egypt...



- ▶ The decline in margins in 9M2007, is attributed to the following:
  - Shift towards greater CBU sales imposed by CKD assembly capacity constraints
  - Overly defensive pricing strategies
  - Inflated costs in the after-sales segment to cover the expenditure of the establishment of 12 new service centers over the coming year

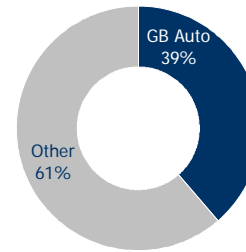


# ...and has a growing presence in the commercial vehicle market



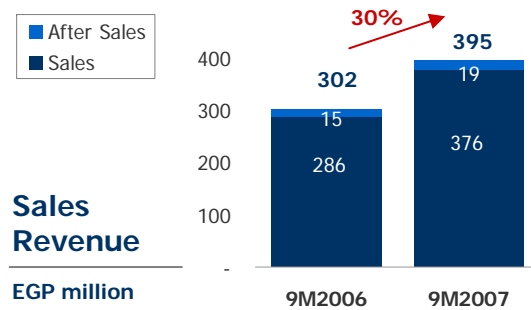
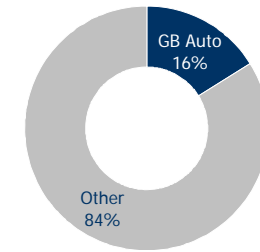
**Bus Market Share**

%



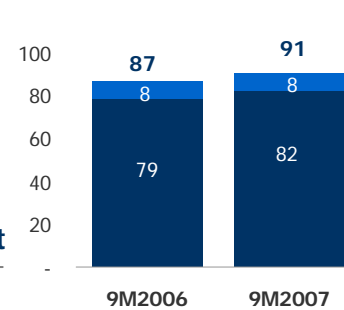
**Truck Market Share**

%



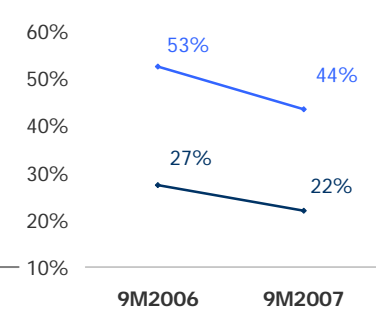
**Gross Profit**

EGP million



**Gross Profit Margin**

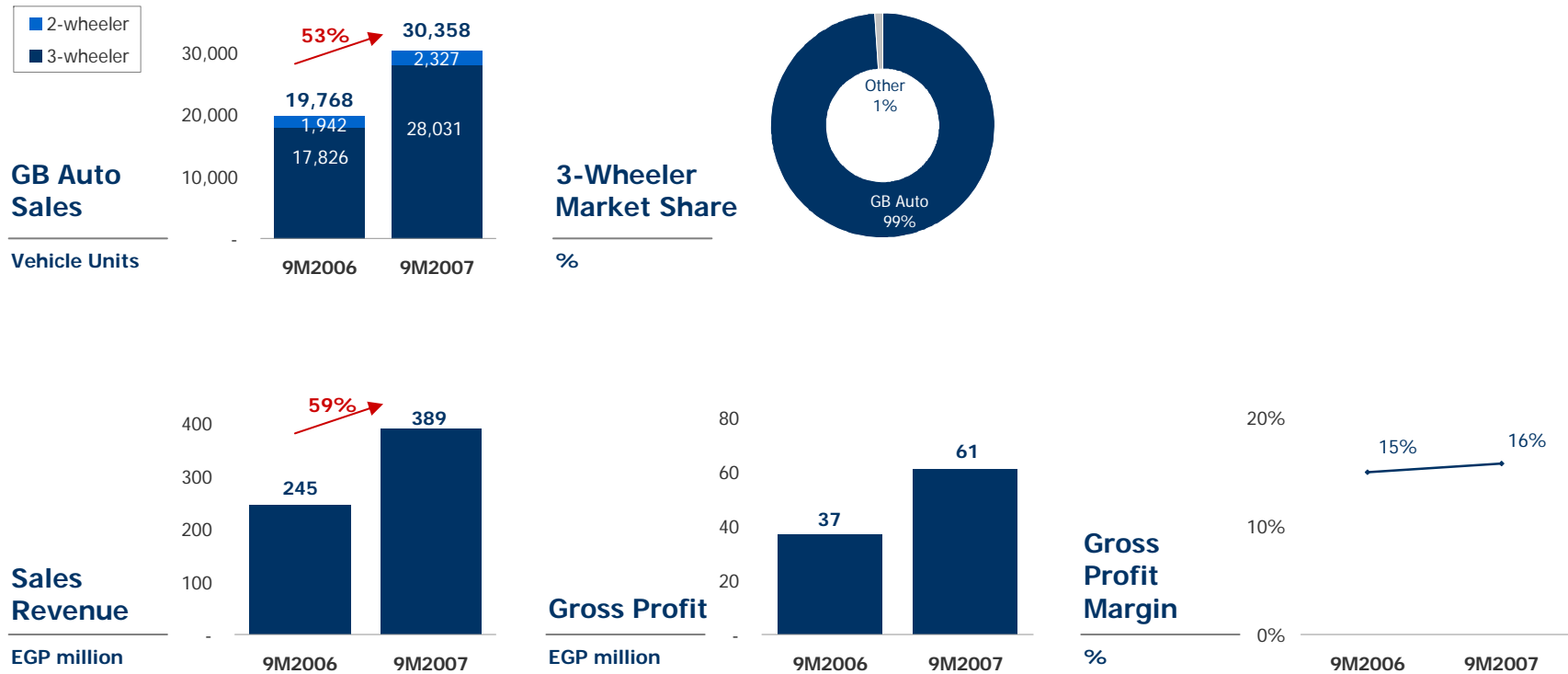
%



► Gross profit witnessed a subtle increase as margins declined due to a changing product mix, as higher sales of large coaches and heavy trucks, carrying lower margins than light trucks and minibuses



# GB Auto is the dominant player in the 2- and 3-wheeler market...

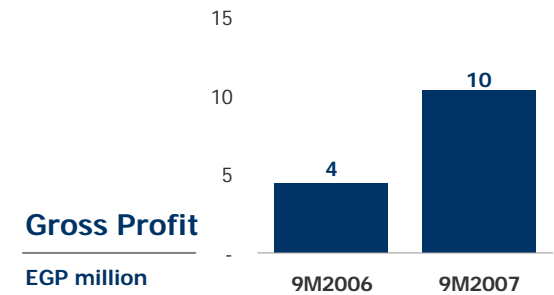
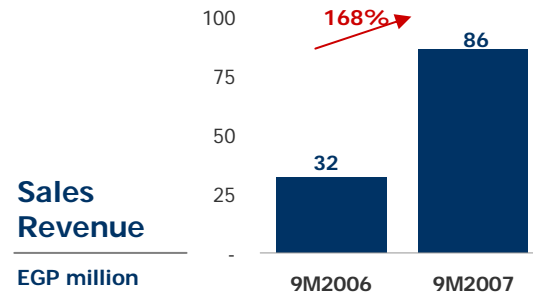


- ▶ Full buy-out of remaining 49% of 2- & 3-Wheeler LoB operating Company (CITI) completed in July 2007
- ▶ Throughout 9M2007, CITI was not treated by banks as part of GB Auto, so did not suffer from the financial constraints faced by the entire Company
- ▶ Results of this LoB show potential of the Company operating under normal circumstances



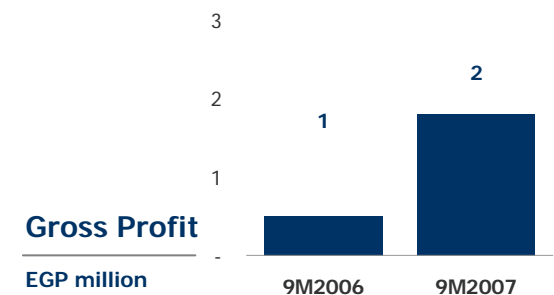
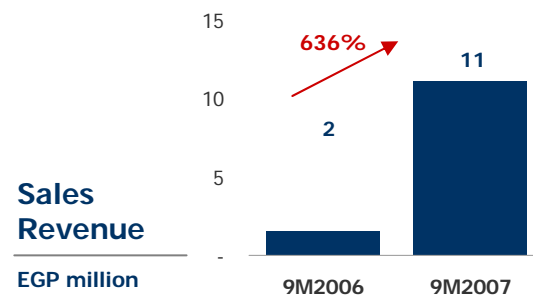
## ...our tire and construction equipment divisions are witnessing impressive growth

### Tires



- ▶ Significant growth in 2007 due to inclusion of Double Coin truck tire product range
- ▶ Gross profit margin decline due to price adjustment policies aimed at positioning products as more competitive in the market

### Construction Equipment



- ▶ 9M2007 margins are lower than those of 9M2006 due to the fact that the majority of 9M2006 revenues resulted from after-sales operations which innately carry higher margins
- ▶ Key revenue growth driver is management's conscious effort to capitalize on favorable market conditions in the construction sector



# GB Auto is active on the business development front, while it remains on track in its institutionalization and restructuring process

## Business Development Highlights

- ▶ Successful roll-out of new service centers
- ▶ Partnership with Citibank announced to provide loans to retail consumers purchasing vehicles from GB Auto's distribution showrooms
- ▶ Potential bus body manufacturing JV with global player
- ▶ Potential commercial vehicle leasing JV
- ▶ Potential trailer truck and super-structure JV with global player
- ▶ Carrying out study for tire manufacturing project and actively seeking potential partner to establish JV with global player
- ▶ Surveying the market for interesting M&A opportunities

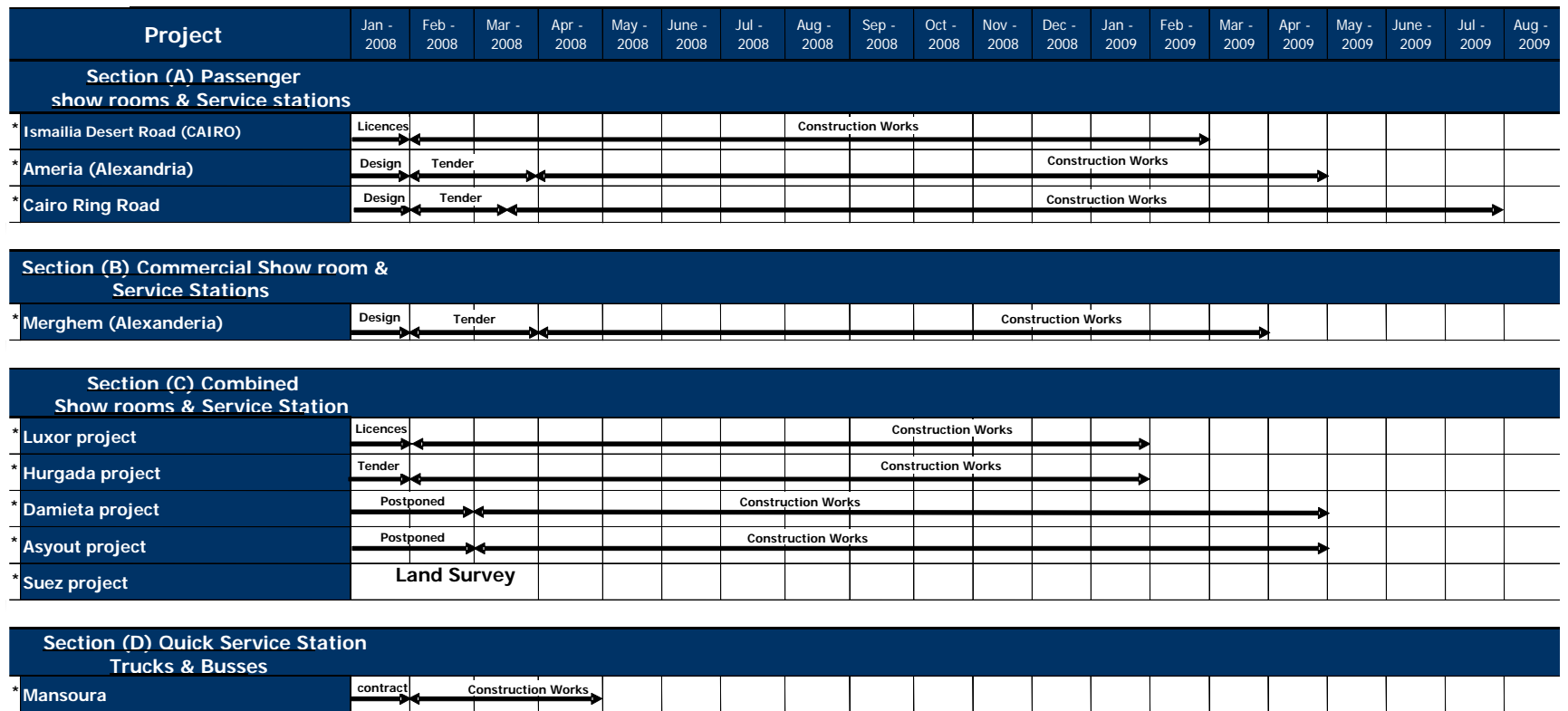
## Corporate Developments Highlights

- ▶ Chief Financial Officer (CFO) recently recruited to commence on March 1, 2008
- ▶ Logistics Director hired to direct the supply chain management of the Group
- ▶ Leading regional management consultancy firm contracted to:
  - Advise on the organizational structure best aligned with strategy and expansion plans, and
  - Assist in the development of functional policies and procedures to support new structure
- ▶ HR restructuring involving the promotion and empowerment of mid-managers
- ▶ Upgrade and strengthening of audit function
- ▶ Full implementation of Oracle ERP system, enhancing efficiency across all functions
- ▶ The addition of new Board Members:
  - Mr. Aladdin Hassouna Saba, an independent director and prominent figure in the financial services sector
  - Dr. Walid Soleiman Abanumay, an independent director and key shareholder
  - Mr. Mohamed Naguib Ibrahim, an independent director and currently the managing director of Incolease, Egypt's largest leasing company



# GB Auto plans to build an additional nine service stations by August 2009

## GB Auto Service Center Expansion Plan Time Schedule



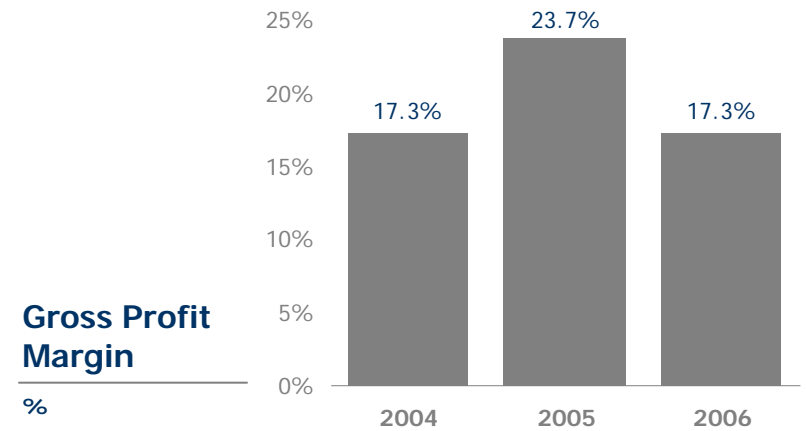
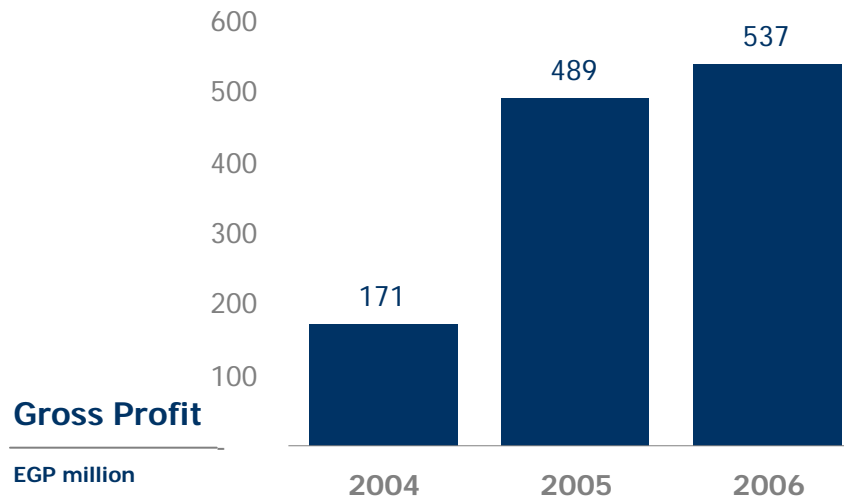
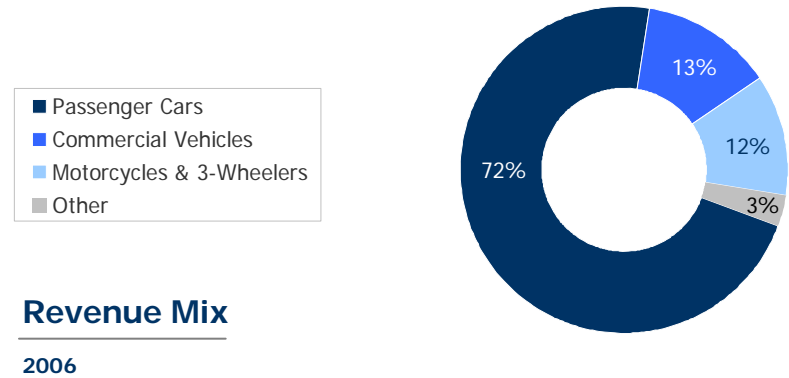
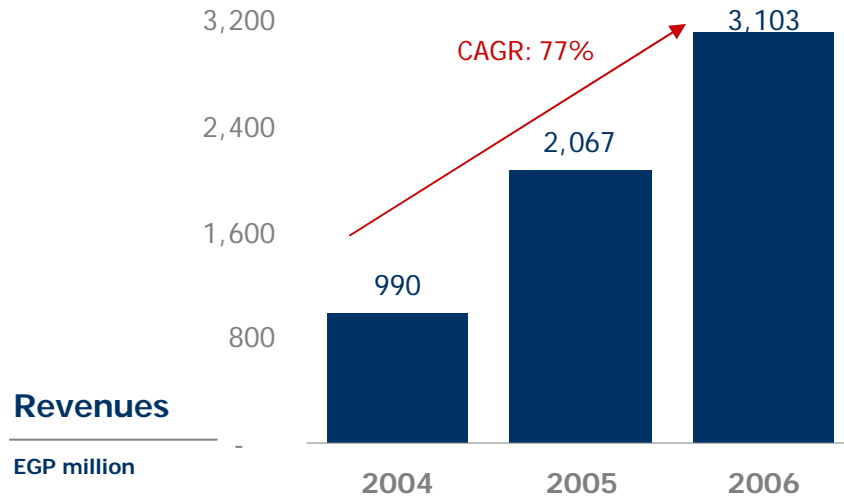
## VI. Financial Performance

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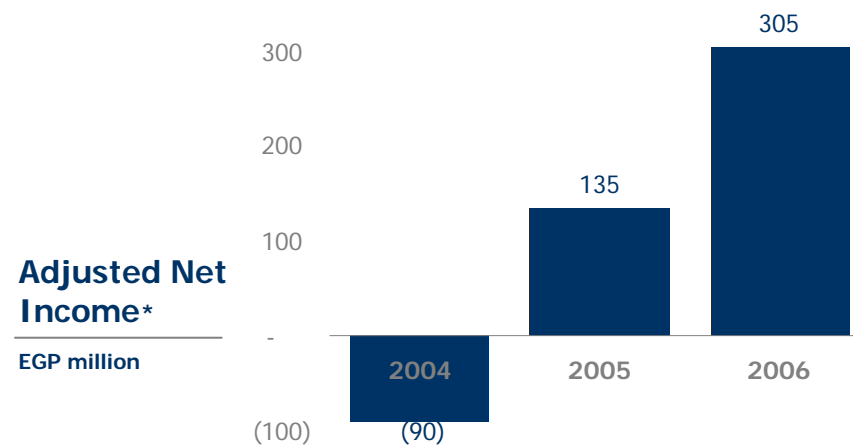
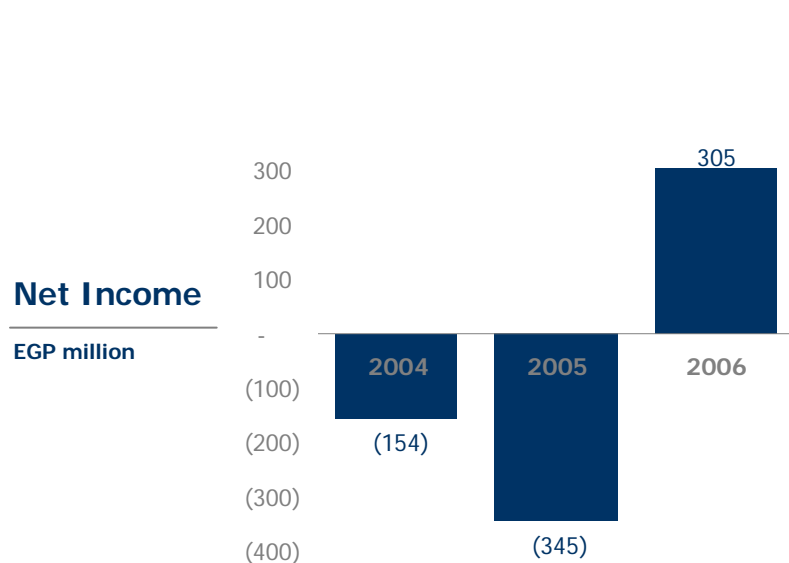


# Consolidated Historical Financial Performance (1/2)



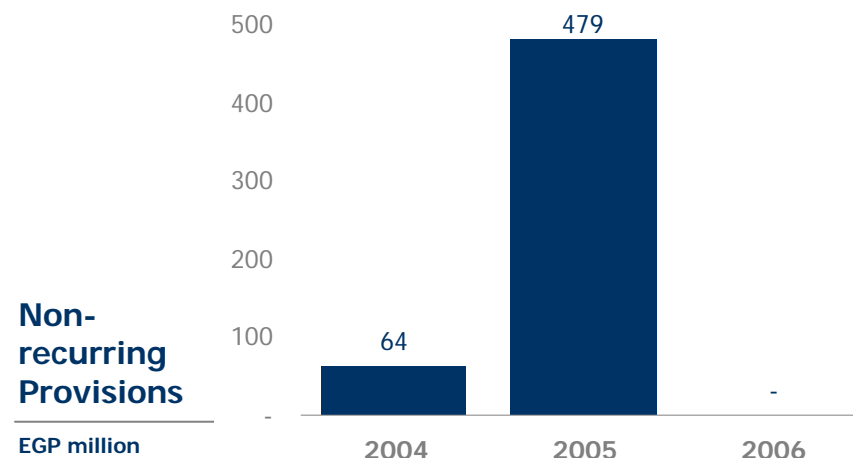


## Consolidated Historical Financial Performance (2/2)



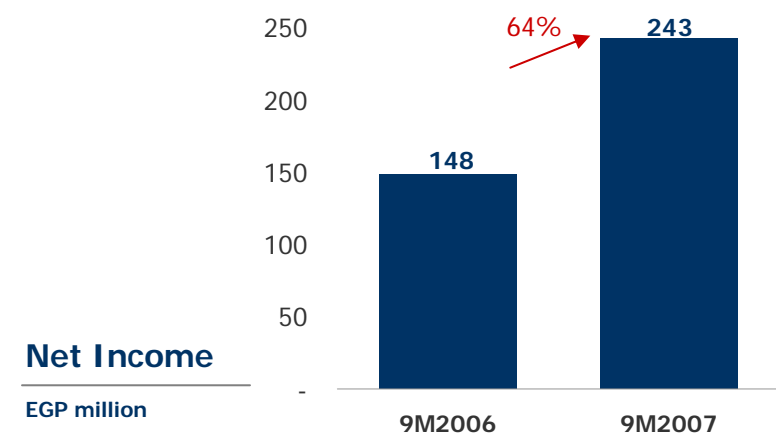
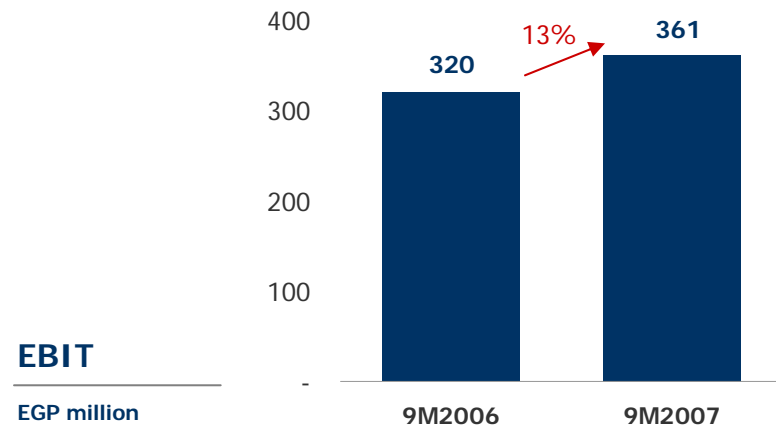
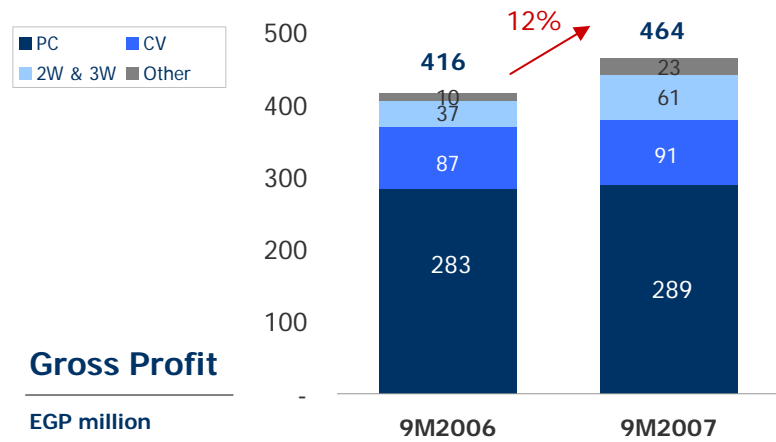
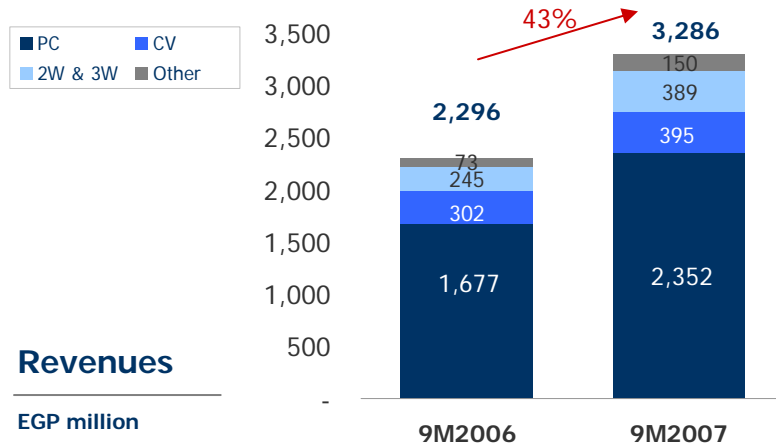
### \* Adjustments:

- ▶ In 2005, the Company took a provision worth EGP 479 million associated with historical doubtful receivables and tax liabilities to “clean-up” its financial statements
- ▶ Net income in 2005 adjusted for unusual items related to non-recurring provisions shows positive return of EGP 135 million





# In the first nine months of 2007, GB Auto enjoyed top-line growth across all its key lines of business



- ▶ Healthy growth in sales with margin reduction caused by cash squeeze
- ▶ Notable growth in bottom line on the back of relative reduction in finance charges y-o-y and reduction in taxes, as tax losses carried forward lead to lower effective tax rate



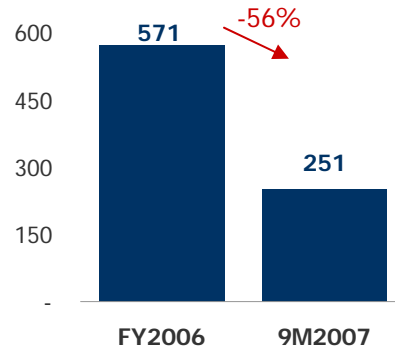
# GB Auto secured a new debt facility at attractive borrowing rates relative to historic borrowings, enhancing its financing capabilities going forward

## New Debt Facility

- ▶ Agreement signed in August 2007 with Banque Misr to underwrite and lead loan syndicate of up to EGP 2.2 billion
- ▶ Loan exclusive to financing the Company's working capital needs
- ▶ Attractive pricing of 10.5% for a tenor of 5 years

## Long-Term Debt

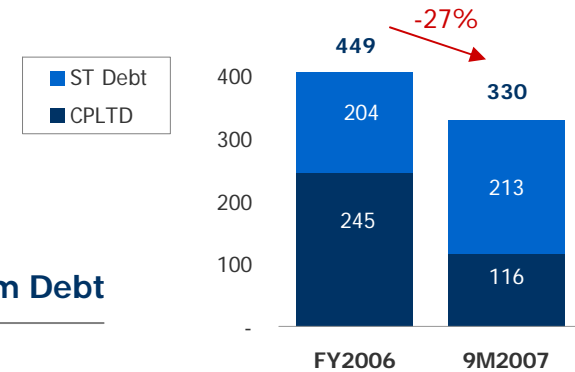
EGP million



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

## Short-Term Debt

EGP million



- ▶ CPLTD decrease as result of repayment schedule of historical bank debts
- ▶ Short-term borrowings associated with working capital grew y-o-y in line with overall growth

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

Thank you

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**INVESTOR RELATIONS CONTACT INFORMATION:**

**Mr. Jacob Thoppil, Investor Relations and Corporate Development Director**

Email: [ir@ghabbour.com](mailto:ir@ghabbour.com)  
Mobile: +20 (0)10 545 0009

**Ms. Marian Zakaria, Assistant**

Email: [ir@ghabbour.com](mailto:ir@ghabbour.com)  
Mobile: +20 (0)10 493 3326  
Tel: +20 (0)2 3539 1201 / 3539 3037  
Fax: +20 (0)2 3539 1198  
Address: Abu Rawash Industrial Zone,  
Cairo-Alexandria Desert Road, Km. 28,  
P.O. Box 120, Giza, Egypt

