



“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

Investor
Relations

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Director of Investor Relations

I. Company Overview





- ▶ Assembly of passenger cars and commercial vehicles (CKD) at 2 plants in the Greater Cairo Area, 1 plant in Sadat City + JV bus-body assembly in Suez (GB Polo)
- ▶ Sales and distribution: Distribution and retail sales of CKD and CBU (imported) passenger cars, commercial vehicles (Egypt and Algeria), motorcycles and three-wheelers, construction equipment, and tires. Brands include Hyundai (in Egypt and Iraq), Mazda, Volvo, Fuso, GB Polo, Bajaj, Lassa and Yokohama (tires)
- ▶ Financing businesses: GB Lease finances commercial vehicle sales and corporate clients purchasing passenger cars for fleets, while the newly established microfinance venture began delivering transactions in March 2010
- ▶ Growing Egyptian after-sales service network with 6 passenger car and 6 commercial vehicle outlets (planned expansion to 25 PC and 10 CV); Iraqi after-sales service network to include 10 outlets by end-2011
- ▶ Partnerships with 38 independent passenger car retailers

Overview

Description

Brands

72% of 1Q10 Group Sales

Passenger Cars

- Import, retail distribution, fleet sales and assembly of cars
- Exclusive agent and sole distributor for Hyundai and Mazda in Egypt
- Joint venture (GK Auto) to distribute Hyundai in Iraq
- Imports and distributes CBU units (Hyundai and Mazda) and assembles CKD units (Hyundai)
- Our largest after-sales center is under construction on the Cairo-Ismaliyya Highway; to be operational in early 2011
- Large distribution and after-sales network with six 3S facilities (sales, service and spare parts) and 373 service bays (expected to more than double as we enter 2011).
- Market share of 29.3% in Egypt in 1Q10
- 37.6% share of total of phase one of national taxi replacement program



11% of 1Q10 Group Sales

Commercial Vehicles

- Distribution of locally assembled trucks and buses
- Exclusive agent for Mitsubishi, Volvo and Hyundai buses
- Assembles and distributes buses for public, commercial and tourism sectors
- JV with Marcopolo for bus-body assembly facility in Suez
- 41.8% market share in 1Q10 (excl. minibuses)
- Exclusive agent for Mitsubishi, Volvo and Hyundai trucks
- Includes heavy, medium and light weight trucks
- Manufactured in Egypt; distributed in Egypt and Algeria



9% of 1Q10 Group Sales

Motorcycles & 3-Wheelers

- Local assembly of imported Semi Knocked Down (SKD) units and distribution
- Exclusive agent for Bajaj three-wheelers and motorcycles
- Distribution via three retail showrooms as well as network of local dealers
- Three after-sale service and spare parts centers
- 10 sales centers for motorcycles and 40 for three-wheelers
- First sales of tuk-tuks through Mashro'ey began in March; the JV is expected to provide substantial sales momentum going forward
- First introduced tuk-tuks in 1999; maintains strong first-mover advantage in the Egyptian three-wheeler market



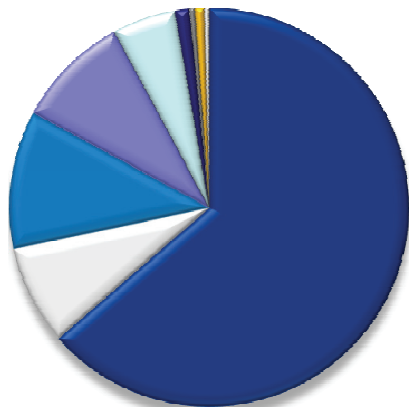
8% of 1Q10 Group Sales

Others

- Includes tires, construction equipment, transportation services and financing
- GB Auto distributes passenger and light truck tires under license from Lassa; new agreement will see GB Auto distribute Yokohama's passenger car, semi-truck, truck, bus and construction equipment tires
- GB Auto distributes Volvo brand construction equipment serving public and private clients
- Cargo services (90-truck fleet) on fixed-price contracts as well as passenger transport
- Financing for CV and corporate fleet sales; three-wheelers through Mashro'ey

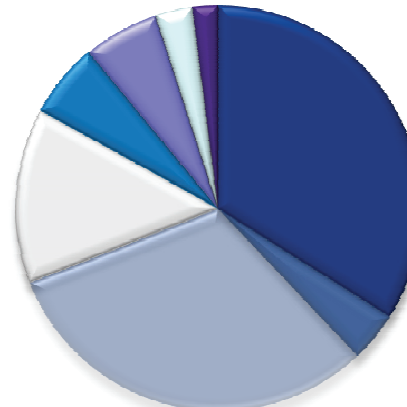


Present Revenue Pie



- Passenger Cars Egypt (63.00%)
- Passenger Cars Iraq (8.00%)
- Commercial Vehicles (11.10%)
- Motorcycles & 3-Wheelers (9.20%)
- After-Sales (5.10%)
- Tires (1.14%)
- Construction Equipment (0.42%)
- Transportation (0.75%)
- Financing (0.38%)

Future Revenue Pie



- Hyundai Passenger Cars Egypt (34%)
- Mazda Passenger Cars Egypt (10%)
- Hyundai Passenger Cars Iraq (10%)
- Commercial Vehicles (12%)
- Motorcycles & 3-Wheelers (10%)
- After-Sales (6%)
- Tires (6%)
- Financing (6%)

Change Drivers

Mashro'ey

- This subsidiary of GB Auto acquires Bajaj-branded motorcycles and three-wheelers that have been imported and assembled by GB Auto, and sells the products to consumers on installment payment plans.
- Mashro'ey has engaged EQI on a shareholder basis, and will also work with the micro-lending arms of local banks, allowing them to provide GB Auto products to their clients.
- Amal Ragheb will be chairman of the new venture; Mounir Nakhla will serve as Managing Director.
- The first sales under the initiative were made in March 2010.

GK Auto

- GK Auto imports and distributes a wide range of Hyundai vehicles and spare parts across Iraq and will build Iraq's leading after-sales service franchise.
- GK Auto (formerly Ghabbour Al-Kasid) is the company's joint venture with the Al-Kasid Group of Companies, which holds exclusive rights to distribute Hyundai Motor Company products in Iraq.
- GB Auto estimates the joint venture could generate total sales volumes of as many as 36,000 vehicles within 12 months of its launch.
- GK Auto made its first sales in 1Q10.

Yokohama

- GB Auto now distributes Yokohama passenger car, semi-truck, truck, bus and construction equipment tires in Egypt through its own outlets as well as a dealership network that gives it a total of 300 points of presence nationwide.
- The Yokohama representation complements GB Auto's exclusive representation of Turkish-made Lassa tires in Egypt.
- The addition of the Yokohama representation should see the tires line of business post revenues in the EGP 175 million range this fiscal year.

Mazda

- GB Auto has an exclusive agreement to import and distribute Mazda-branded CBU vehicles in Egypt.
- GB Auto will support the Mazda franchise with new dealer and after-sales networks.
- The Mazda3 will initially roll into three GB Auto-owned showrooms (two in Cairo and one in Alexandria) as well as close to ten authorized dealers.
- Mazda sales will directly target the acquisition of market share currently held by Japanese and European brands, making it a very complementary product to GB Auto's existing range of Hyundai passenger cars.



GB Auto's Strategy is Built on 3 Core Axes

Invest in Core Business

- Invest in unmatched nationwide distribution and after-sales networks in target markets
- 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

Non-Organic Growth

- Expand regional presence directly and through exports
- Leverage Egyptian assembly capacity to serve export markets

Strengthen Old Ties, Build New Relationships

- 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, while at the same time focusing on long-term health of existent lines of business





Capitalize on opportunities in regional markets with significant pent-up, under-served demand





Make GB Auto the obvious partner of choice for OEMs throughout the region


Competitive Advantages Over the Long-Term


- 


Best-in-class assembly and manufacturing operations. GB Auto's assembly operations include 2 factories in the Greater Cairo Area, 1 in Sadat City, and 1 in Suez. All are built to international specs and follow international best practices.
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Strong partnerships with leading global OEMs with access to 'best-in-class' products. Strategic relationships in Egypt and Iraq have positioned GB Auto as the exclusive distributor and assembler of Hyundai passenger cars & commercial vehicles and Mazda passenger cars in Egypt, as well as Hyundai passenger cars in Iraq. Other strategic partnerships include Mitsubishi commercial vehicles, Volvo commercial vehicles and construction equipment, Bajaj motorcycles and 3-wheelers, and Lassa and Yokohama tires.
- 


Management team. GB Auto continues to expand its management team, recruiting top talent globally to fill out a C-Suite that now ranges from a Chief Financial Officer to Chief Operations Officers for each LOB, a Chief Manufacturing and Supply Chain Officer, Chief Business Development Officer, and Chief Human Resources Officer. The company continues to strengthen mid-level management teams, as well.
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Diversified business portfolio. GB Auto has a highly diversified business portfolio that spans the entire automotive value chain, including the largest distribution and after-sales network in Egypt's passenger vehicle and motorcycles & three-wheelers segments.
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Untapped export potential. Very strong export potential, particularly as regards locally-assembled commercial vehicles into the largely untapped and under-served markets of the Middle East and Africa.
- 

Strong market position. GB Auto is the largest player in the Egyptian automotive market in terms of sales revenue, market share and production capacity. The firm's joint venture in Iraq has the advantage of being on the ground as the Iraqi economy recovers from years of sanctions and wars, freeing up significant pent-up demand.
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Balance sheet health. GB Auto has consistently maintained a healthy debt-to-equity ratio (0.38 at the end of March 2010) and will easily accommodate the new LE 1 billion bond issue of 5 May 2010, proceeds from which will be directed toward business expansions that will themselves be income generative.
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Expanding Footprint. The leading automotive player in the Egyptian market today, GB Auto has now set its sights on the region. The company now has JVs in both Algeria and Iraq, and is cautiously exploring further expansion possibilities.
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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 with earnings of over LE 415 million. Profitable through 2009, and 1Q10 was the best-ever first quarter in terms of sales and operating profit for the Group, led by record passenger car sales.

Key Financial Data

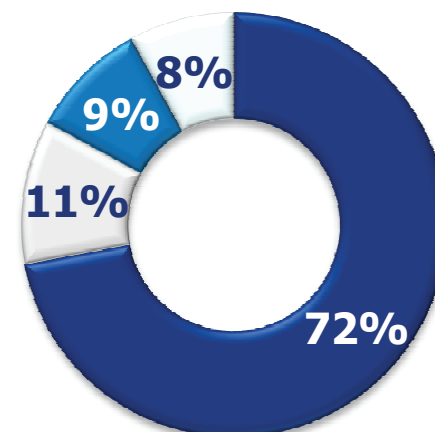
(LE million)	FY2007	FY2008	FY 2009	1Q 2009	1Q 2010
Sales	4,630.1	5,192.3	4,258.4	642.0	1,326.5
<i>% growth</i>	49.2	12.1	-18.0	-41.8	106.6
EBITDA	500.7	678.5	451.7	59.6	143.8
<i>% margin</i>	10.8	13.1	10.6	9.3	10.8
EBIT	582.1	633.1	396.7	52.4	128.7
<i>% margin</i>	12.6	12.2	9.3	8.2	145.6
Net Income	433.5	415.7	201.4	7.2	68.7
<i>% margin</i>	9.4	8.0	4.7	1.1	5.2

Key Products

1. **Passenger Cars**
2. **Commercial Vehicles**
3. **3-Wheelers & Motorcycles**
4. **Other:** Tires
Construction Equipment
Transportation Services
Financing



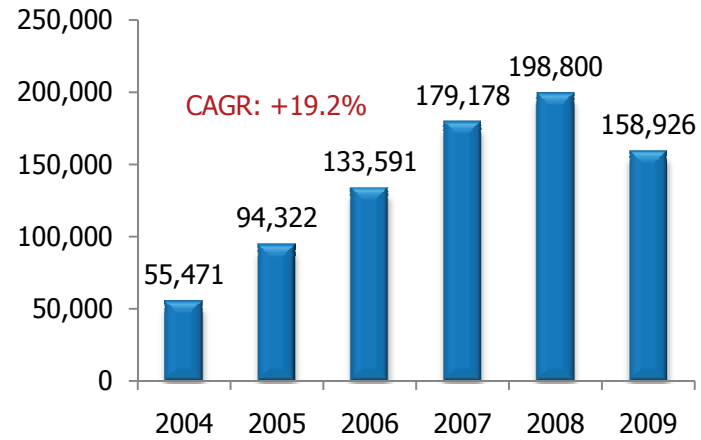
Sales Breakdown (1Q10)



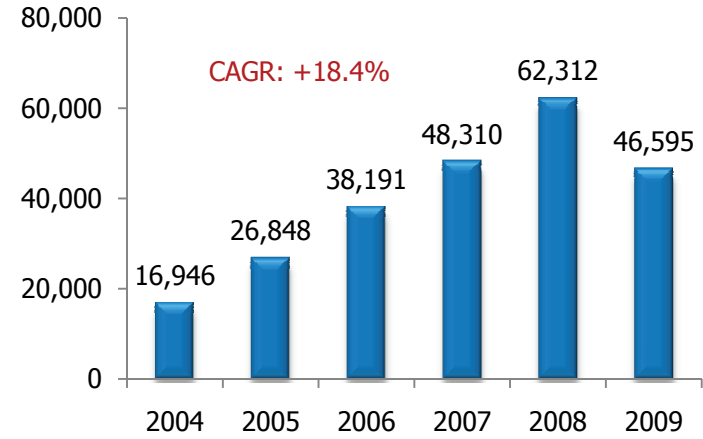
Historical Market Size and Growth, 2004 to 2009

Vehicle Units

Passenger Cars



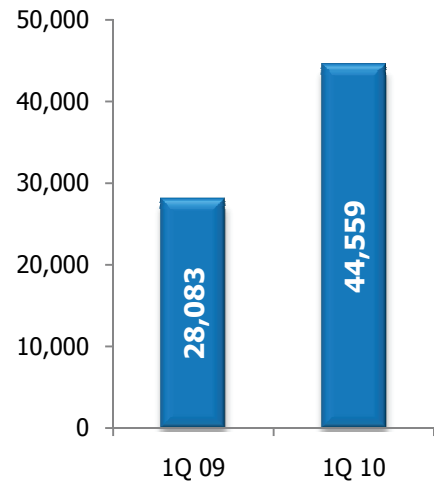
Commercial Vehicles



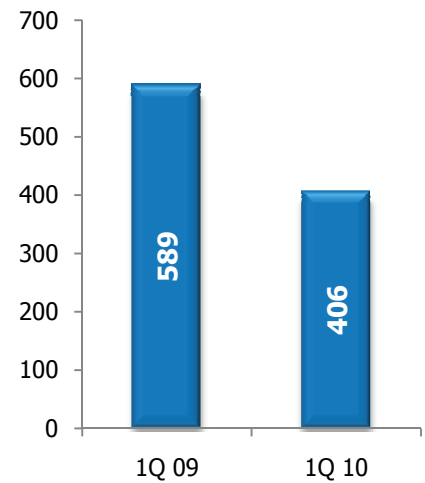
Recent Market Size and Change, 1Q09 vs. 1Q10

Vehicle Units

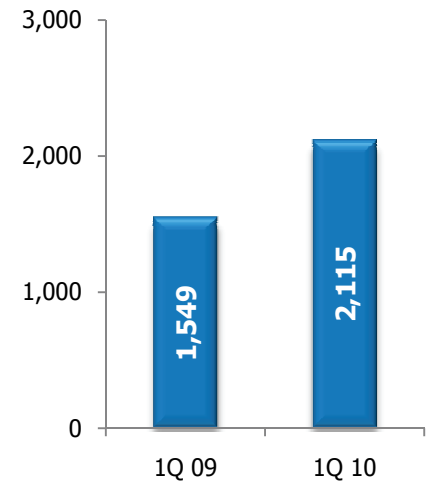
Passenger Cars



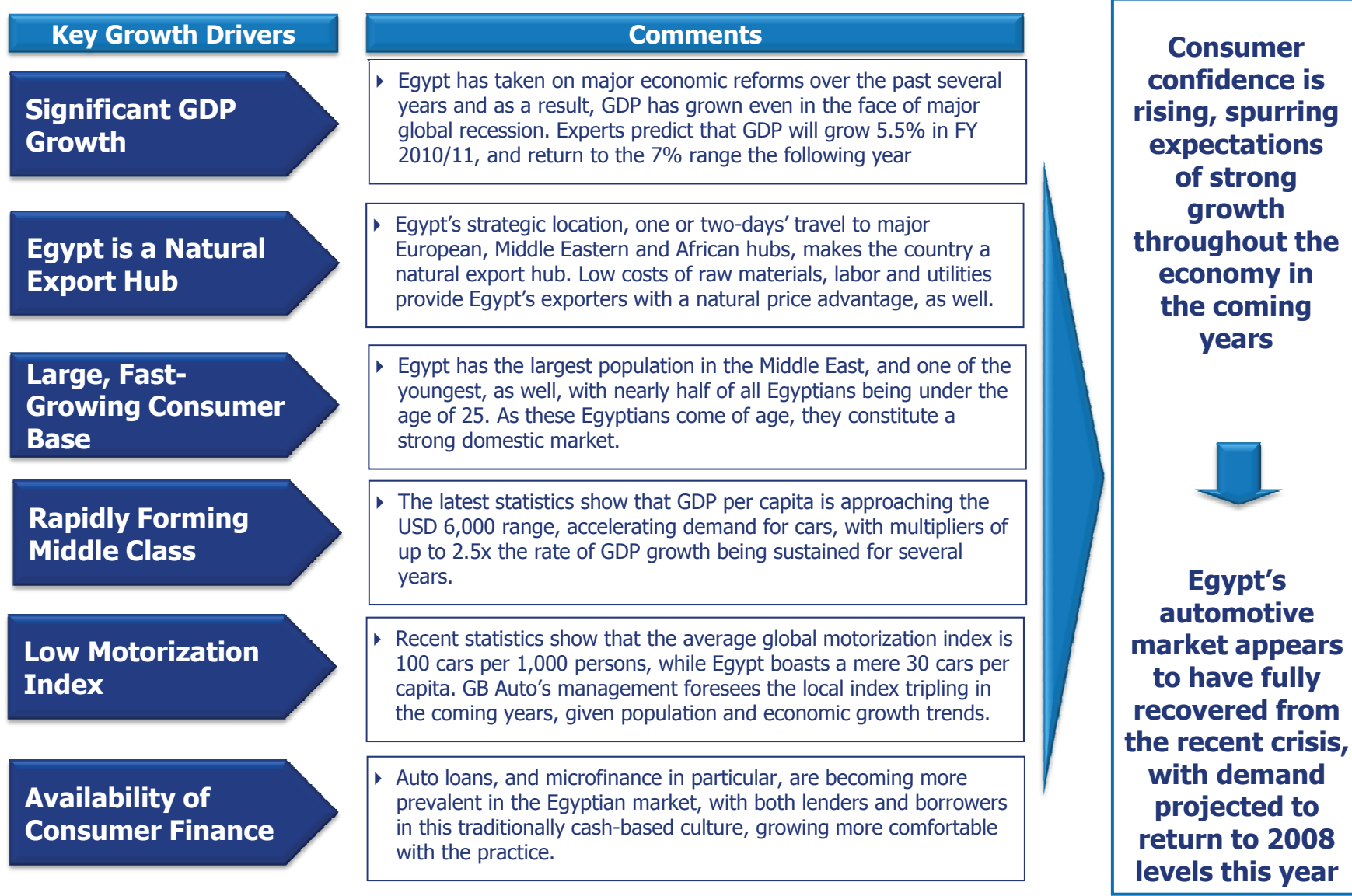
Buses



Trucks



* Buses data excludes minibuses; Trucks data excludes pickup trucks.



Deepen our Management Team & Institutionalization

We completed the design phase of our institutionalization at the end of 2009 and we are in the process of implementing the business processes. As part of that program we set about creating an organization structure that will support the business for years to come, including restructuring senior management to include a C-Suite and Business Directors. More than 90% of those positions are filled and we are now focusing on ensuring we have properly qualified staff at all levels, via skills assessments, training and strategic recruitments. Recruitment efforts include an Excellence Program to attract high caliber graduates who have qualified within the past two years with a view to developing future management in the organization.

Pursue New Representations

We have resumed the exclusive representation of Mazda at a price point that complements our strategic partnership with Hyundai. We will also now import and distribute Yokohama-brand tires, as a complement to our Lassa (Turkish) tires line.

Harness Growth in Consumer Credit

Late last year, the company formed Mashro'ey, a microfinance venture that will, in its first phase of development, extend credit to purchasers of three-wheelers used as peri-urban taxis. The first sales under Mashro'ey were made in 1Q10.

Manage Costs and Working Capital

Costs were systematically reduced by 25% from Q408 through 1H09, saving in excess of LE 50 million. Furthermore, inventories were reduced by nearly LE 200 million and under recovery of manufacturing overheads had been eliminated by the end of the year.

Penetrate New Markets

After successfully launching our trailer distributorship in the promising Algerian market, we spent the balance of 2009 exploring several additional regional territories. This culminated in the announcement of GK-Auto, a joint venture with exclusive distributorship rights for Hyundai products in Iraq.

Slow Capex Without Cutting Corners

Despite a sharp reduction in capital expenditures in 1H09, we maintained progress at our GB Polo plant and completed construction at our second CKD paint shop. At the same time, we increased our trailer capacity and broke ground on our largest-ever after-sales service center. We spent less than half the original capital expenditure budget.

Explore New Sources of Financing

In 2009, GB Auto refined its financing mix by working with international institutions. In addition, management worked with local banks to underwrite a LE 1 billion public bond issue that is expected to be complete at the end of March 2010.

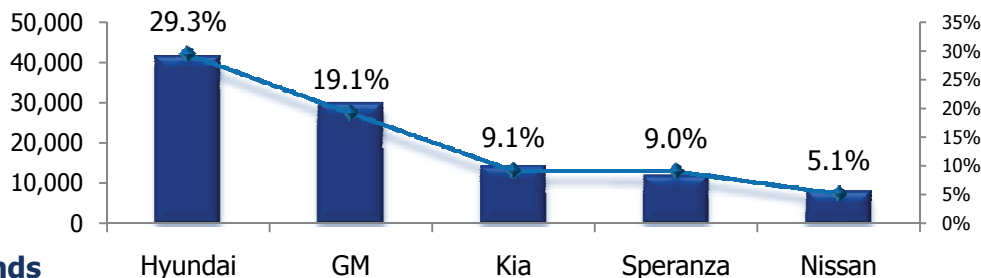
Target 25% of the National Taxi Replacement Program

GB Auto made its first sale of Hyundai Verna models to the national taxi replacement program in April 2009, recording a total market share of 37.6% in the first phase of the program and will target a market share of 30% or greater in phase two.

II. Business Overview



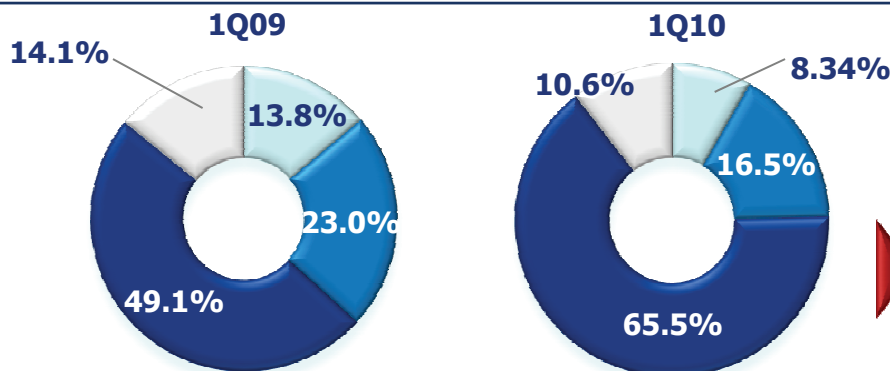
Market Segmentation | in 1Q10



The nation's top selling PC brand, Hyundai has a market share of 29.3%, reflecting GB Auto's superior value proposition for consumers.

Top 5 Brands

Vehicle units



Up to 1.6 L engine capacity bracket enjoys preferential tariff on imports of CBU vehicles.

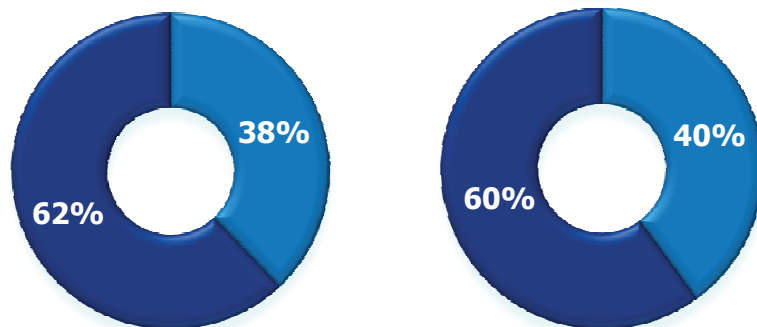
Engine Capacity

Vehicle units



CBU vs. CKD

Vehicle units



The 60/40 split has been typical of the market for the past year.

Key Financial Data

(LE million)	FY2007	FY2008	FY2009
Revenue*	3,314.4	3,675.4	2,893.1
<i>% growth</i>	<i>48.9</i>	<i>10.9</i>	<i>-21.3</i>
Sales Volume (units)	48,623	51,518	41,646
<i>% growth</i>	<i>34.1</i>	<i>6.0</i>	<i>-19.2</i>
Gross Profit	447.2	613.1	348.3
<i>% margin</i>	<i>13.5</i>	<i>16.7</i>	<i>12.0</i>

Overview

- The three months ending 31 March represent GB Auto's best-ever first quarter for passenger car sales, with company posting substantial gains in market share both q-o-q and y-o-y.
- These developments, combined with the market's return to y-o-y growth and strong sales in Iraq, confirm management's belief that the recession in Egypt's passenger car market has ended and that Iraq is a high-potential territory.
- Total passenger car gross margins (representing both Iraq and Egypt) in 1Q10 were up 1 percentage point over the previous quarter and 2.2 points over 1Q09 to 13.3%, with Egyptian margins up both quarter-on-quarter and year-on-year. Total gross margins in Iraq stood at 6.4% as a result of the considerable start-up costs expected of a new venture.

1Q09	1Q10
327.9	952.8
<i>-54.6</i>	<i>190.6</i>
4,774	14,394
<i>-54.6</i>	<i>201.5</i>
26.5	116.2
<i>8.1</i>	<i>12.2</i>

Key Products



Hyundai Getz



Hyundai Matrix



Mazda 3



Hyundai Verna



Hyundai Santa Fe



Mazda 2

1.0 L  SUV > 2.0 L

* Full-year data includes After-Sales revenues for the segment.

Iraq

(LE million)	1Q10
Revenue	952.8
Sales Volume (units)	14,394
Gross Profit	116.2
<i>% margin</i>	<i>12.2</i>

Overview

- GK Auto (Ghabbour Al-Kasid), the company's Iraqi joint venture, has begun sales with 1,341 units in 1Q10.
- Reliable statistics on the size of the Iraqi market do not exist, but management estimates the total passenger car market in Iraq to be in the 100,000 unit per year range.
- GK Auto is well on its way to moving 3,000 units per month by June, the volume needed to support sales of 36,000 units per annum as projected.

Egypt

(LE million)	1Q09	1Q10
Revenue*	327.9	845.9
<i>% growth</i>	<i>-54.6</i>	<i>158.0</i>
Sales Volume (units)	4,774	13,053
<i>% growth</i>	<i>-54.6</i>	<i>173.4</i>
Gross Profit	26.5	109.3
<i>% margin</i>	<i>8.1</i>	<i>12.9</i>
Market Size (units)	28,083	44,559
<i>GB Auto Market Share (%)</i>	<i>17.0</i>	<i>29.3</i>

Overview

- Widest product range in the market, positioned as 'best value for money.'
- Largest distribution and after-sales network with four 3S facilities (sales, service and spare parts), emphasizing 'lowest cost of ownership' in the market.
- GB Auto recorded a 175.3% year-on-year improvement in Egyptian passenger car unit sales in 1Q10.
- GB Auto market share stood at 29.3% in 1Q10.
- New paint shop in Abu Rawash operational; will allow annual production capacity for CKD units to climb to as many as 100,000 units as demand requires.
- Phase 1 of the national taxi replacement program has finished; GB Auto secured a 37.6% share overall. The company is looking to maintain a 30% market share in Phase 2.

Key Financial Data

(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10
Revenue*	590.0	761.8	585.6	110.6	147.7
<i>% growth</i>	<i>41.5</i>	<i>29.1</i>	<i>-23.1</i>	<i>-40.5</i>	<i>33.5</i>
Sales Volume (units)	2,638	3,341	2,666	232	179
<i>% growth</i>	<i>37.8</i>	<i>22.3</i>	<i>-20.2</i>	<i>-50.5</i>	<i>-22.8</i>
Gross Profit	122.3	130.6	80.1	14.2	16.1
<i>% margin</i>	<i>20.7</i>	<i>17.1</i>	<i>13.7</i>	<i>12.8</i>	<i>10.9</i>

Overview

BUSES

- Supply constraints together with a sharp slowdown in the pace at which traffic authorities are granting new minibus licenses challenged bus sales in 1Q10.
- Management continues to look for innovative ways to enhance the image of GB Auto's bus lineup while emphasizing quality.
- GB Polo is now producing an average of six units per day on a single shift.

TRUCKS

- Truck sales remain benefited by the return of corporate demand, with sales volumes rising 28.8% year-on-year in 1Q10.

TRAILERS

- Sales in this segment remain challenged by market conditions and management decisions to withhold significant shipments of trailers to local and export markets in order to address quality issues.
- Authorities continue to refrain from enforcing the ban on draw-bar trailers passed by Parliament in 2008.

Key Products (Buses)



Mitsubishi
Canter



Mitsubishi
Rosa



Hyundai
Aero



Volvo
Splendido

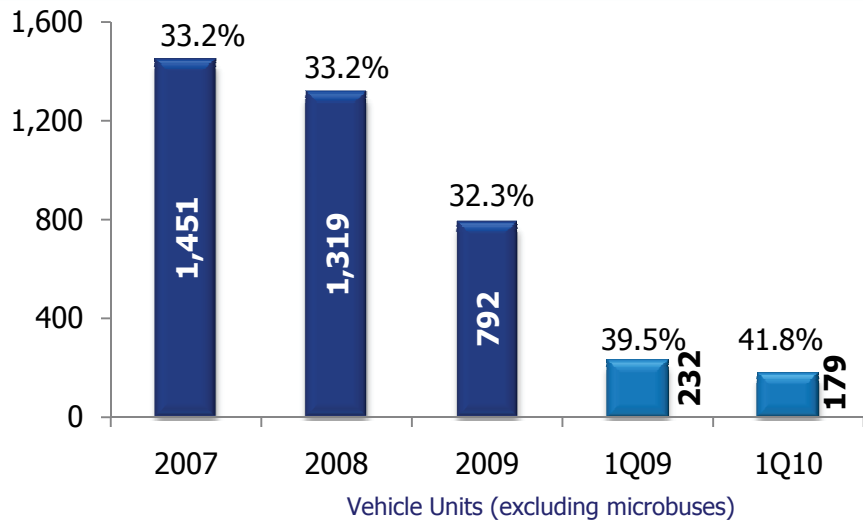
Mini-bus



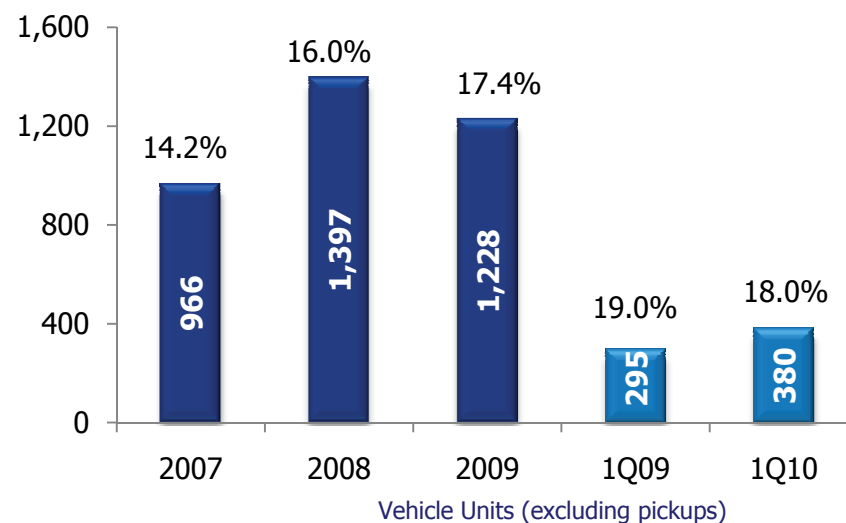
Large Coach

* Full-year data includes After-Sales revenues for the segment

Bus Sales and Percent Market Share



Truck Sales and Percent Market Share



Key Products (Trucks)



Mitsubishi
Canter



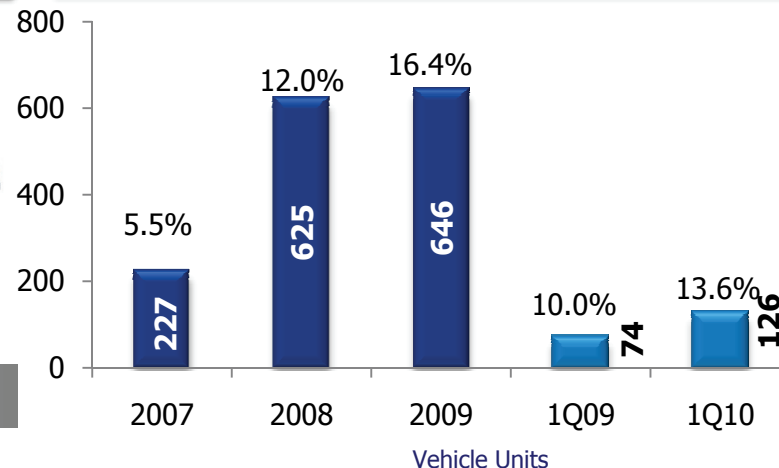
Mitsubishi
Fuso



Volvo FH

Light Truck → Medium Truck → Heavy Truck

Trailer Sales and Percent Market Share



Key Financial Data

(LE million)	FY2007	FY2008	FY2009
Revenue*	528.2	571.3	597.8
<i>% growth</i>	44.4	8.2	4.6
Sales Volume (units)	40,830	43,251	47,878
<i>% growth</i>	38.9	5.9	10.7
Gross Profit	86.1	115.1	148.6
<i>% margin</i>	16.3	20.1	24.9

1Q09	1Q10
5.6	8.7
24.1	54.6
9,311	10,140
25.0	9.9
24.1	34.5
20.5	28.3

Overview

- Bajaj is the largest global manufacturer of three-wheelers, which are typically used for personal and commercial purposes in rural and low-income areas as an alternative to urban and peri-urban transport.
- The division showed strength despite a difficult first quarter, as unit sales grew despite a model change and new competition in the three-wheeler segment.
- Consumers in the three-wheeler segment place particular emphasis on reliability, durability, and the availability of spare parts. Given the superior quality of Bajaj three-wheelers over the Chinese competition, our long-term outlook for the division remains strongly positive.
- Going forward, management will continue to protect its first-mover advantage in the three-wheeler segment and expects Mashro'ey, the now-operational micropayments venture, to help preserve its market leadership.

Key Products (Motorcycles & 3-Wheelers)



Motorcycles



Tuk-tuks

* Full-year data includes After-Sales revenues for the segment

Key Financial Data

(LE million)	1Q09	1Q10
After-Sales Revenues		
Passenger Cars	38.8	42.9
Commercial Vehicles	14.0	16.9
Motorcycles & Three-Wheelers	5.0	6.0
Construction Equipment	<u>1.2</u>	<u>2.0</u>
Total After-Sales Revenues	59.0	67.8
After-Sales Gross Profit		
Passenger Cars	14.3	16.3
Commercial Vehicles	3.9	4.6
Motorcycles & Three-Wheelers	1.2	1.4
Construction Equipment	<u>0.6</u>	<u>0.9</u>
Total After-Sales Gross Profit	20.0	23.2
<i>After-Sales Gross Profit Margin</i>	<i>33.9</i>	<i>34.2</i>

Overview

Passenger Cars

- Revenues in this segment climbed 10.6% in 1Q10 compared with the same quarter the previous year, while PC after-sales gross margins improved 1.1 percentage points to 38.0% y-o-y.
- Management is targeting accelerated growth for this segment through a variety of measures including the hiring of additional technicians.
- Our largest after-sales service center to date, on the Cairo-Ismaliyya Highway, is under construction.

Commercial Vehicles

- Efforts to grow the critical after-sales segment of the commercial vehicles activity is bearing fruit, with a 20.7% rise in parts and service revenues in 1Q10 compared with the same quarter of last year.

Motorcycles & Three-Wheelers

- Three-wheelers are operated as taxi replacements in rural and peri-urban areas. As such, consumers place particular emphasis on reliability, durability, and the availability of spares and parts, a fact underscored by the steady growth of after-sales activity in this segment.

Financing

(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10
Revenue	26.5	3.0	6.1	0.5	5.1
Gross Profit	4.8	1.1	2.9	0.2	0.2
<i>Gross Profit Margin (%)</i>	<i>18.1</i>	<i>36.7</i>	<i>47.5</i>	<i>40.0</i>	<i>39.2</i>

Mashro'ey

- The first sales of tuk-tuks through Mashro'ey began on 15 March 2010, with nearly 70 units moving into the market in the period 15 March – 14 April 2010.
- Two branches now operational, four additional branches to be operational by May.
- Each branch employs an average of 10 loan officers, all of whom are fully trained on procedures and best practices in compliance, risk management and sales.
- Each loan is fully secured through two guarantors, one of whom may be from the immediate family of the borrower and another of whom must have a commercial registry address.
- Mashro'ey is presently seeking offers from insurance providers to secure its portfolio against credit default risk
- The venture seeks to generate loans accounting for approximately 10% of total two- and three-wheeler unit sales in 2010.

GB Lease

- GB Lease activity continued to pick up in 1Q10, growing more than five-fold from the same quarter the previous year thanks to a strong loan book. Although 96% of GB Lease's exposure is to the automotive industry (split as 77% passenger cars on fleet sales and 19% commercial vehicles), it is substantially diversified by client base of more than 50 companies.

Other

- The financing division continued its discussions with local banks about partnerships in the consumer finance arena. Having studied the field in some detail, management now feels an appropriate operating model would be the creation of a management company with the participation of a local financial institution.

Construction Equipment

(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10
Revenue	18.8	49.7	59.4	3.6	5.6
Gross Profit	2.1	7.9	8.0	0.3	0.3
<i>Gross Profit Margin (%)</i>	<i>11.2</i>	<i>15.9</i>	<i>13.5</i>	<i>9.2</i>	<i>4.8</i>

Overview

- GB Auto continues to view construction equipment as a very promising business.

Tires

(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10
Revenue	112.0	75.1	62.7	7.5	15.2
Gross Profit	13.9	11.2	12.8	0.3	3.2
<i>Gross Profit Margin (%)</i>	<i>12.4</i>	<i>14.9</i>	<i>20.4</i>	<i>4.0</i>	<i>21.1</i>

Overview

- Some easing of the sharp supply constraints seen in 1Q09 supported year-on-year growth, but production capacity at Lassa remains limited.
- The addition of the Yokohama representation could see the tires line of business post revenues in the EGP 175 million range this fiscal year.

Transportation Services

(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10
Revenue	40.1	56.0	53.6	15.5	10.0
Gross Profit	-6.1	-5.6	-6.0	-0.4	-4.0
<i>Gross Profit Margin (%)</i>	<i>-15.2</i>	<i>-10.0</i>	<i>-11.2</i>	<i>-2.6</i>	<i>-40.0</i>

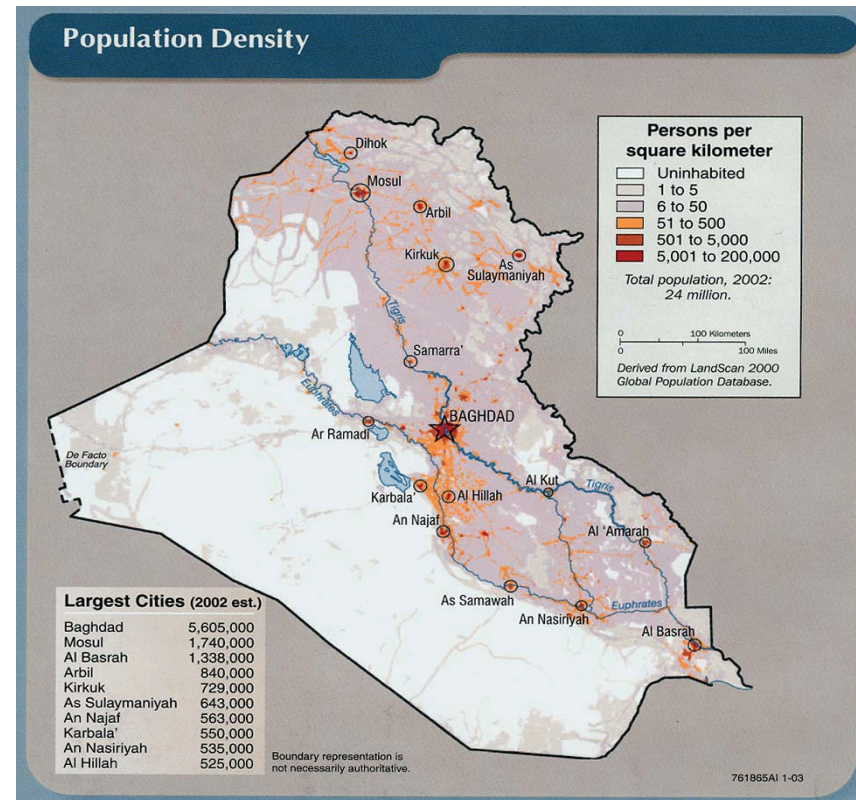
Overview

- The fall-off in revenues from municipal passenger transport was expected in light of management's decision to stop service to loss making routes in 2H09
- The decline in revenue from the cargo segment was disappointing.

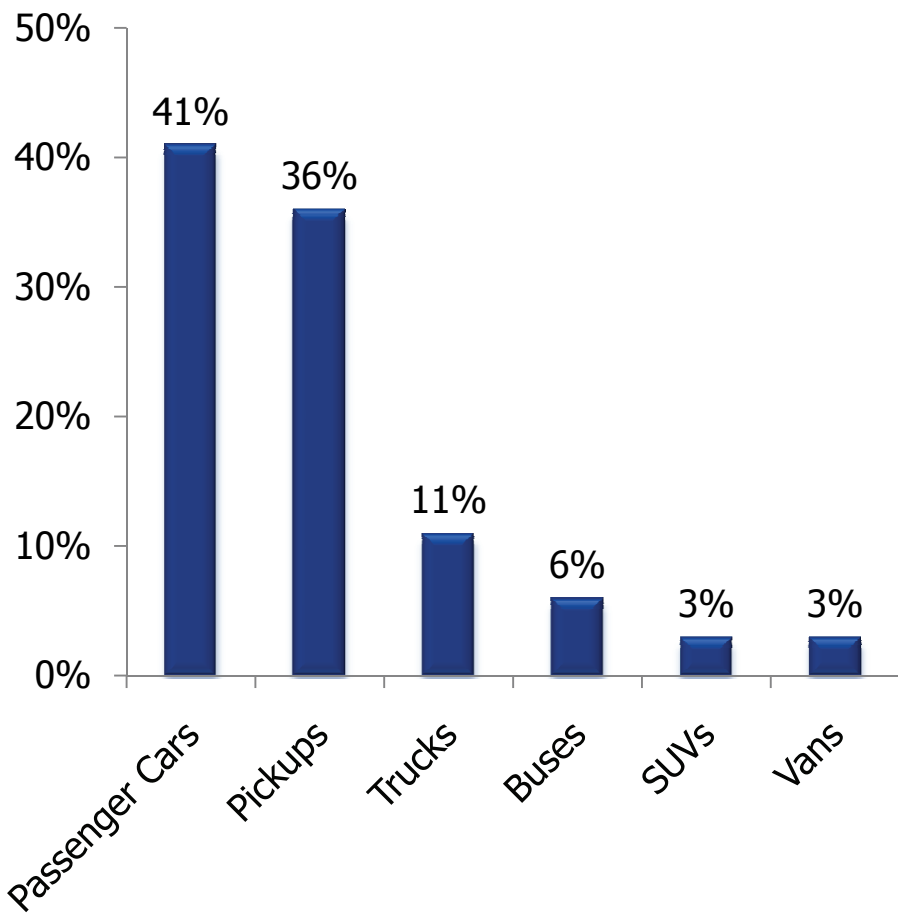
III. Regional Developments



- GB Auto signed a joint venture agreement in February 2010 to distribute Hyundai passenger cars in Iraq with Al-Kasid Group, which has the exclusive rights to Hyundai for Iraq.
- The joint venture, named GK Auto, is a 50 / 50 equity participation between the two parties
- GB Auto has full management control over the operation (including operating and financial policies) and the right to appoint three board members (including the chairman)



Estimated Segmentation of Iraqi Market



- The Iraqi market is characterized by significant pent-up demand after years of war and sanctions. We estimate the passenger car market in 2009 was between 100,000 and 110,000 units, of which Hyundai presently has a 20-25% market share.
- Ghabbour Al-Kasid will target a 30% share of the passenger car market in Iraq
- Work to end parallel imports
- The Iraqi joint-venture, now named GK Auto (from Ghabbour and Al-Kasid, the Iraqi partner), made its first sales in 1Q10.
- The challenge in Iraq is not one of sales, but of having sufficient product to meet pent-up market demand, particularly for the Sonata and Tucson ranges. This constraint is easing as we build a book of forward-looking orders.
- Constrained 1Q10 margins are as expected of a start-up venture; margins will remain similarly tight in 2Q10 and into 3Q10 before picking up in the final quarter as volumes rise and operations regularize.

GK Auto will have a retail and service presence throughout Iraq:

- GK Auto’s head office will be in Erbil (northern Iraq) for infrastructure and security reasons
- 3-S Centers are located in:
 - Erbil: 3 working bays + mobile service, to expand to 30 working bays, spare parts warehouse and outlet as well as a new showroom to be operating in 2H10
 - Baghdad: 12 working bays+ mobile service, to expand to 45 working bays, spare parts warehouse and outlet and showroom to be functioning in 2011
 - Basra: 3 working bays + mobile service
- 5 authorized 3-S facilities to cover major cities will be assigned in 2010
- 5 spare parts outlets will be functioning in 2010, with a further 5 in 2011

Four primary distribution channels for GK Auto include:

Dealers	Retail	Fleet Sales	GAMCO
<ul style="list-style-type: none"> • 25-30 in the first year • Growing to 40 in year two 	<ul style="list-style-type: none"> • Al-Kasid presently owns five branches 	<ul style="list-style-type: none"> • To be created by a dedicated fleet and tenders sales team 	<ul style="list-style-type: none"> • Government outlet serviced through Baghdad office

- ▶ GB Auto owns 50% of GB Allab-Remorque in partnership with the Allab family, which owns UPAC (Samsung) in Algeria
- ▶ Recorded sales of LE 5.84 million in FY09 on less than a half-year's sales following registration of the joint venture in all Algerian provinces
- ▶ GB Allab will be the hub for export of addition product lines to the promising Algerian market

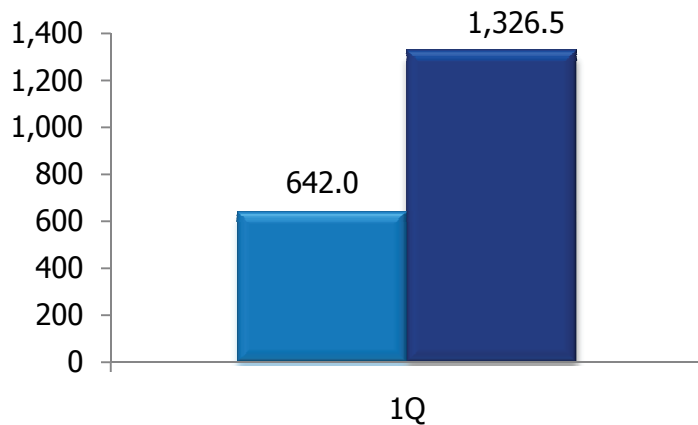


IV. Financial Performance

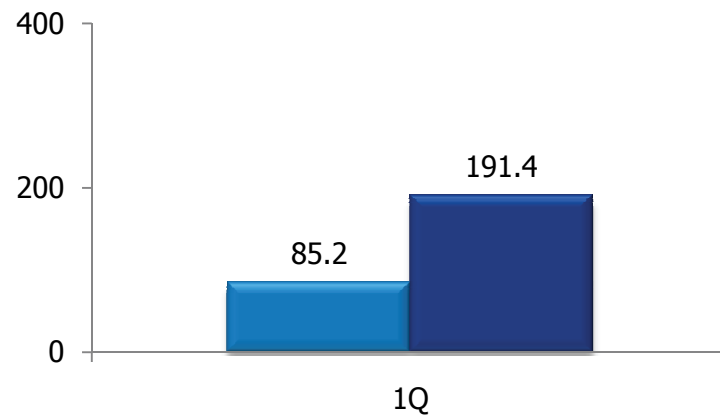


■ 2008
■ 2009

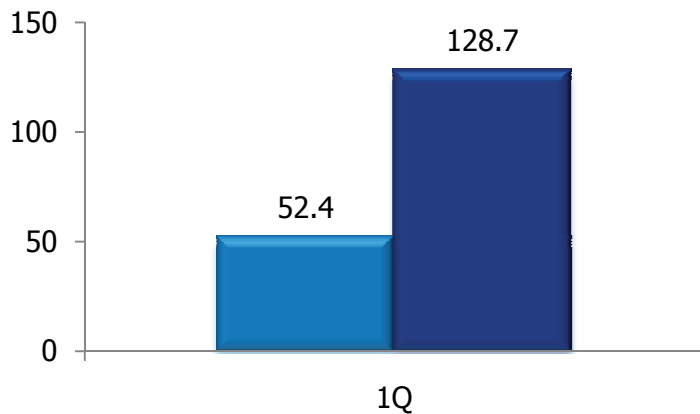
Sales Revenue



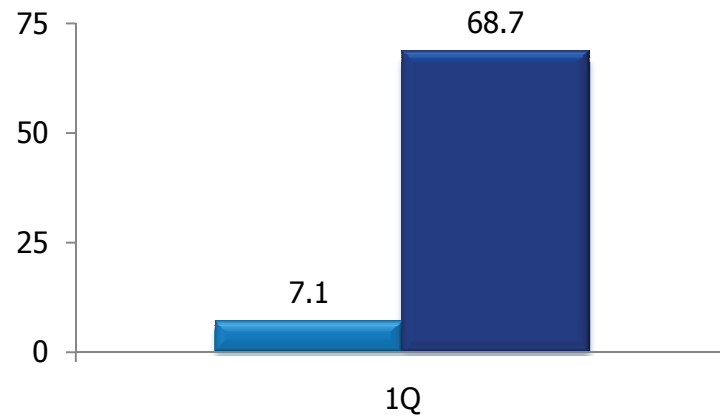
Gross Profit



EBIT



Net Income

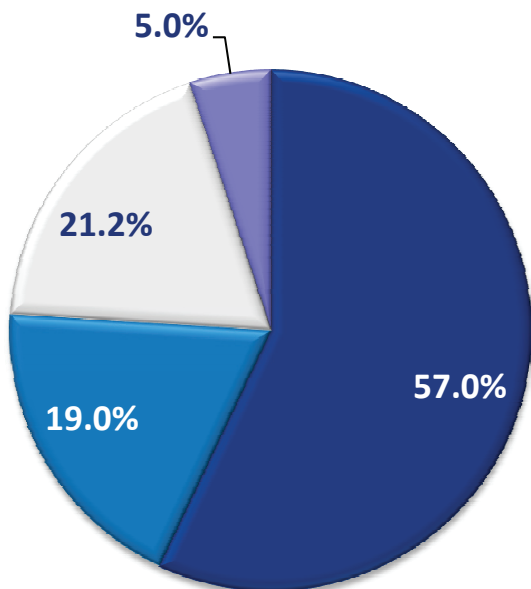


Revenue Split (Percent of Group Sales)



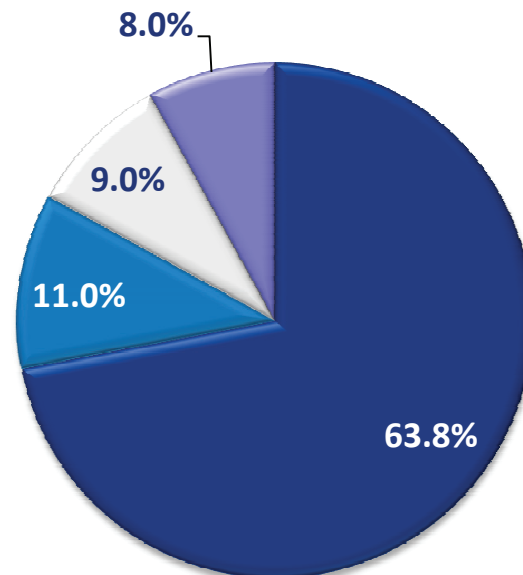
LE 642 million

1Q2009



LE 1,326 million

1Q2010



(LE million)	FY2007	FY2008	FY2009	1Q09	1Q10	% Change
Passenger Cars Revenues	3,314.4	3,675.4	2,893.1	327.9	952.8	190.6
Commercial Vehicles Revenues	590.0	761.8	585.6	110.6	147.7	33.5
Motorcycles & Three-Wheelers	528.2	571.3	597.8	117.4	122.1	4.0
Other Revenues	197.4	183.8	181.9	86.1	103.7	20.4
Total Sales Revenue	4,630.1	5,192.3	4,258.4	642.0	1,326.5	106.6
Gross Profit	670.2	873.2	594.5	85.2	191.4	124.6
<i>Gross Profit Margin</i>	<i>14.5</i>	<i>16.8</i>	<i>14.0</i>	<i>13.3</i>	<i>14.4</i>	<i>1.1</i>
Selling & Administration	-218.8	-277.0	-243.8	-51.3	-67.9	32.4
Others – Income / (Expenses)	18.3	31.2	32.1	9.6	6.9	-27.1
Operating Profit	469.7	627.4	382.8	43.7	130.4	198.4
Net Provisions	112.4	5.5	15.1	8.7	-1.7	-
EBIT	582.1	633.1	396.7	52.4	128.7	145.6
Foreign Exchange Gains (Losses)	2.8	-18.3	17.6	-7.6	1.3	-
Net Finance Cost	-98.4	-102.6	-131.7	-36.0	-35.8	-0.6
Earnings Before Tax	486.5	512.0	266.5	8.8	85.7	873.9
Taxes	(50.7)	(94.3)	(63.2)	-1.9	-16.9	789.5
NP Before Minority Interest	435.8	417.7	203.3	6.9	68.8	897.1
Minority Interest	-2.3	-2.0	-1.9	0.3	-0.1	-
Net Income	433.5	415.7	201.4	7.2	68.7	854.2
<i>Net Profit Margin</i>	<i>9.4</i>	<i>8.0</i>	<i>4.7</i>	<i>1.1</i>	<i>5.2</i>	<i>4.1</i>

Group Performance in First Quarter 2010

- Total 1Q10 revenues reached LE 1,326.5 million, a 106.6% rise over 1Q09.
- Net income totaled LE 68.7 million. Before the share-based compensation accounting entry of LE 8.5 million, like-for-like net income reached LE 77.2 million, a more than ten-fold increase over the LE 7.1 million net income in 1Q09, on the back of rising sales volumes and the near-elimination of unrecovered overheads.
- Total Passenger Car sales revenue climbed 190.6% to LE 952.8 million and gross profits grew three-fold as the Egyptian market recovery noted in 4Q09 proved sustainable and new sales came on stream from Iraq.
- Total Commercial Vehicle sales revenue rose 33.5% to LE 147.7 million, below our expectations on both continued efforts to reduce inventory and softer-than-expected trailer sales.
- Total Motorcycle and Three-Wheeler sales revenue increased 4.0% to LE 122.1 million, with sales in the second two months of the quarter slowing on both a model change and new competition. Gross profit nonetheless increased 43.2%.
- Total After-Sales revenue from all segments rose 14.9% to LE 67.8 million. After-sales gross profit rose 16% to LE 23.2 million.

Business Development Highlights

- In February, GB Auto entered the promising Iraqi automotive market via a joint venture with Al-Kasid Group of Companies, now called GK Auto. GB Auto estimates the joint venture could generate total sales volumes of as many as 36,000 vehicles within 12 months of its launch; first sales under the joint venture were logged in 1Q10.
- In a move that complements GB Auto's exclusive representation of Turkish-made Lassa tires, GB Auto has signed an agreement to represent Yokohama tires in Egypt. The agreement, which gives GB Auto the right to distribute passenger car, semi-truck, truck, bus and construction equipment tires through its own outlets as well as a dealership network that gives it a total of 300 points of presence nationwide, could see GB's tires line of business quadruple sales in FY 2010.
- Mashro'ey made first sales in March; expected to be a sales driver for our Motorcycles and Three-Wheelers line-of-business going forward.
- The subscription period for GB Auto's LE 1 billion bond closed on 2 May 2010 for a total of LE 1,332,628,800, nearly 1.5 times oversubscribed. The result of the subscription was finalized on 3 May 2010 and the list sent to the CMA for its approval of the process of allocation of the funds received. On 5 May, a note was published notifying the issue of the bond and calling for the formation of a bondholders' group. The LE 1 billion was paid into a special account from which the acquisitions portion of same will be disbursed upon the authority of an Investment Committee that has joint membership from the company and two financial institutions. This is to ensure that funds are used as stated in the bond terms — for expansion projects and acquisitions.

Corporate Development Highlights

- ▶ GB Auto remains Hyundai Motor Corporation's best distributor in Africa and top-5 worldwide.
- ▶ A new Board of Directors has been constituted, with Raouf Ghabbour, Alaa Saba, Mohammed Naguib, Walid Abanumay continuing their service. New members of the board include GB Auto CFO Colin Sykes, who joins along with prominent lawyer Yasser Hashem (managing partner of Zaki Hashem & Partners) and J.E. Kim (formerly President of Hyundai Motor America and HMC's Middle East and Africa Director).
- ▶ GB Auto engaged two new members of its senior management team in March. Khalil Rahman has joined as director of business development, bringing 20 years of business experience in Europe, North America, India and the Middle East. Scott Cairns, meanwhile, has joined as CFO of our joint venture in Iraq, bringing with him experience from a diverse industry background operating in Iraq, Afghanistan, Australia, Kuwait and Dubai.

- GB Auto maintained a healthy debt-to-equity ratio of 0.38 at the end of March 2010 and will easily accommodate the new LE 1 billion bond issue of 5 May 2010, in respect of which management notes that proceeds from the issue will be directed toward business expansions that will themselves be income generative.
- Passenger Car inventories have been efficiently maintained in the first quarter and Commercial Vehicles continues to show improvement. The company is targeting further reduction of CV inventories to under four months of the current level of sales. Inventories as at 31 March 2010 are the first to include those supporting Iraq.
- Capital expenditure was carefully managed during 2009, largely through a slower pacing of the after-sales network expansion, but are accelerating in 2010, as noted above.
- GB Auto continued to generate the strong cash flows that have seen net debt reduced every quarter since 2Q09. Management believes the company's strong balance sheet supports working capital and investment growth going forward. This will be enhanced by our now-complete LE 1 billion bond issue and reflects a long-term funding position on the balance sheet that is a better match for the tenor of the anticipated expansion program.
- Total assets at the end of March 2010 improved 6.8% on the back of capital expenditures and increased inventory in Iraq. Current liabilities increased by 19.2% as the dividend declared on 31 March 2010 (and paid in April 2010) was accrued. In addition, key supplier balances have increased due to the launch of business activity in Iraq. Shareholder equity has eased despite profits for the quarter since the dividend distribution prepared on 31 March 2010 is recorded.

Outlook

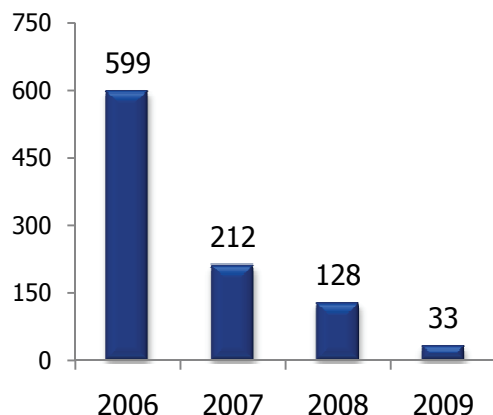
- With the first quarter of 2010 now behind us, we continue to see signs of improved consumer confidence that we expect will be largely sustainable throughout the year.
- On the Passenger Car front, the taxi replacement program continues to be important to GB Auto and we remain committed to participating in the upcoming national microbus replacement program. We note in this respect that the second phase of the taxi program launched in April with three banks participating.
- We expect the Egyptian automotive market to rebound to 2008 levels in 2010 and experience growth from those levels in the latter part of this year because of pent up demand. Our new passenger car ventures should add significantly to our own growth in 2010. The Mazda representation should add 2,100 units to Egyptian sales in 2010 once it starts operating in May. Management notes that strong gross margins in the 13% range recorded in 1Q10 may prove difficult to sustain ahead of anticipated price increases from Hyundai Motor Corporation and the strengthening of the US dollar, among other factors.
- The Iraqi venture is a significant opportunity for GB Auto and its partner Al-Kasid to command at least a 25-30% share of that market once parallel imports into Iraq are brought under control. Available information, including that from Hyundai Motor Corporation, suggests we can expect at least 36,000 units in that market in the first full year of operation with the potential to grow to 50,000 units thereafter as parallel imports are brought under control and supplies are at the right levels.
- Motorcycles and scooters should see a continuation of the monthly run rates of the last few months of 2009, suggesting sales of close to 50,000 units in 2010. Meanwhile, the new Yokohama representation should see the tires division record revenues in excess of EGP 175 million this year.
- GB Auto continues to explore additional means of tapping both local and international capital for these expansions and others (including after-sales service) and is open to new ways of financing the business on the back of a very strong balance sheet.
- Finally, we note that our forecasts for the year do not include allowance for exogenous shocks that may have an impact on market sentiment. Of course the most sensitive of these going forward is any weakening of the Egyptian pound that would increase costs for GB Auto. Likewise any increase in the price of commodities utilized in our supply chain could also increase costs. Selling price increases would likely follow but usually with a delay.

Balance Sheet (FY 2009 – 1Q 2010)

	LE million	31 December 2009	31 March 2010
Cash		141.6	173.9
Net Accounts Receivable		519.3	521.2
Inventory		1,184.0	1,180.4
Other Current Assets		248.3	393.6
Total Current Assets		<u>2,093.2</u>	<u>2,269.1</u>
Net Fixed Assets		1,368.4	1,437.3
Goodwill and Intangible Assets		184.3	184.8
Other Long-term Assets		47.8	55.4
Total Long-Term Assets		<u>1,600.5</u>	<u>1,677.5</u>
Total Assets		<u>3,693.7</u>	<u>3,946.6</u>
Short-term Notes and Debt		863.8	841.2
Accounts Payable		650.7	971.2
Other Current Liabilities		97.1	108.5
Total Long-Term Liabilities		<u>87.2</u>	<u>98.0</u>
Total Liabilities		<u>1,698.8</u>	<u>2,018.9</u>
Minority Interest		<u>66.6</u>	<u>67.7</u>
Common Stock		131.3	131.3
Shares Held with the Group		-3.3	-3.3
Legal Reserve		138.8	154.8
Other Reserves		1,022.6	1,031.2
Retained Earnings		638.9	546.0
Total Shareholder's Equity		<u>1,928.3</u>	<u>1,860.0</u>
Total Liabilities and Shareholder's Equity		<u>3,693.8</u>	<u>3,946.6</u>

Long-Term Debt

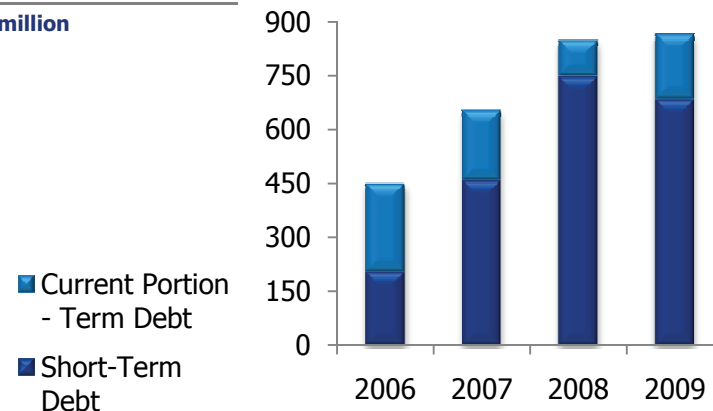
LE million



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

Short-Term Debt

LE million



- ▶ 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

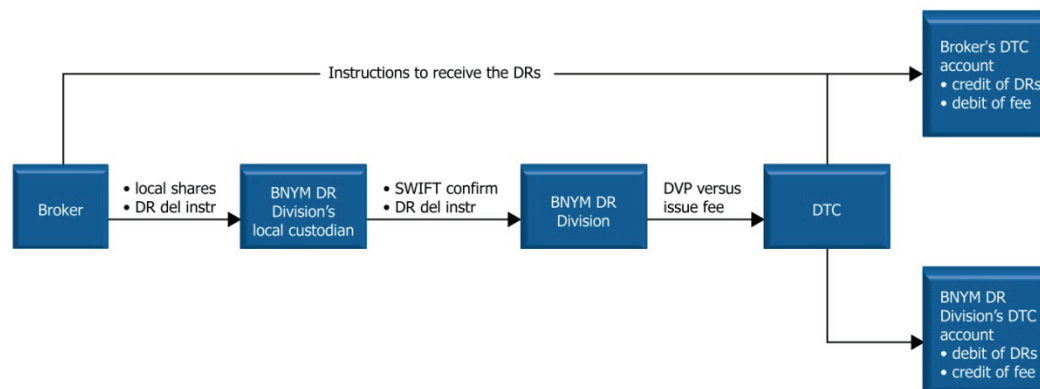
GB Auto DRs trade on the OTC market under the following information:

▪ Symbol	GBAXY
▪ CUSIP	368290102
▪ Ratio	1 ADR:5 ORDs
▪ Country	Egypt
▪ Effective Date	May 28, 2009
▪ Underlying SEDOL	B1Y9TD5
▪ Underlying ISIN	EGS673T1C012
▪ DR ISIN	US3682901026
▪ Depository	BNY Mellon

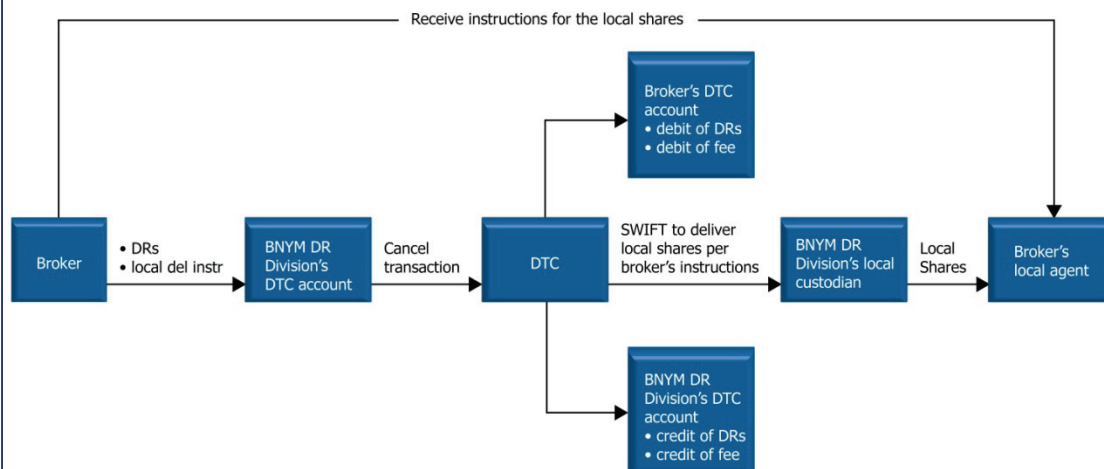
DR Benefits to Investors:

- DRs give access to cross-border market liquidity
- DRs are cost-effective
- DRs are convenient to own:
 - Quoted in U.S. dollars
 - Dividends paid in U.S. dollars
 - Seamless Tax reclamation process

Issuance of DRs

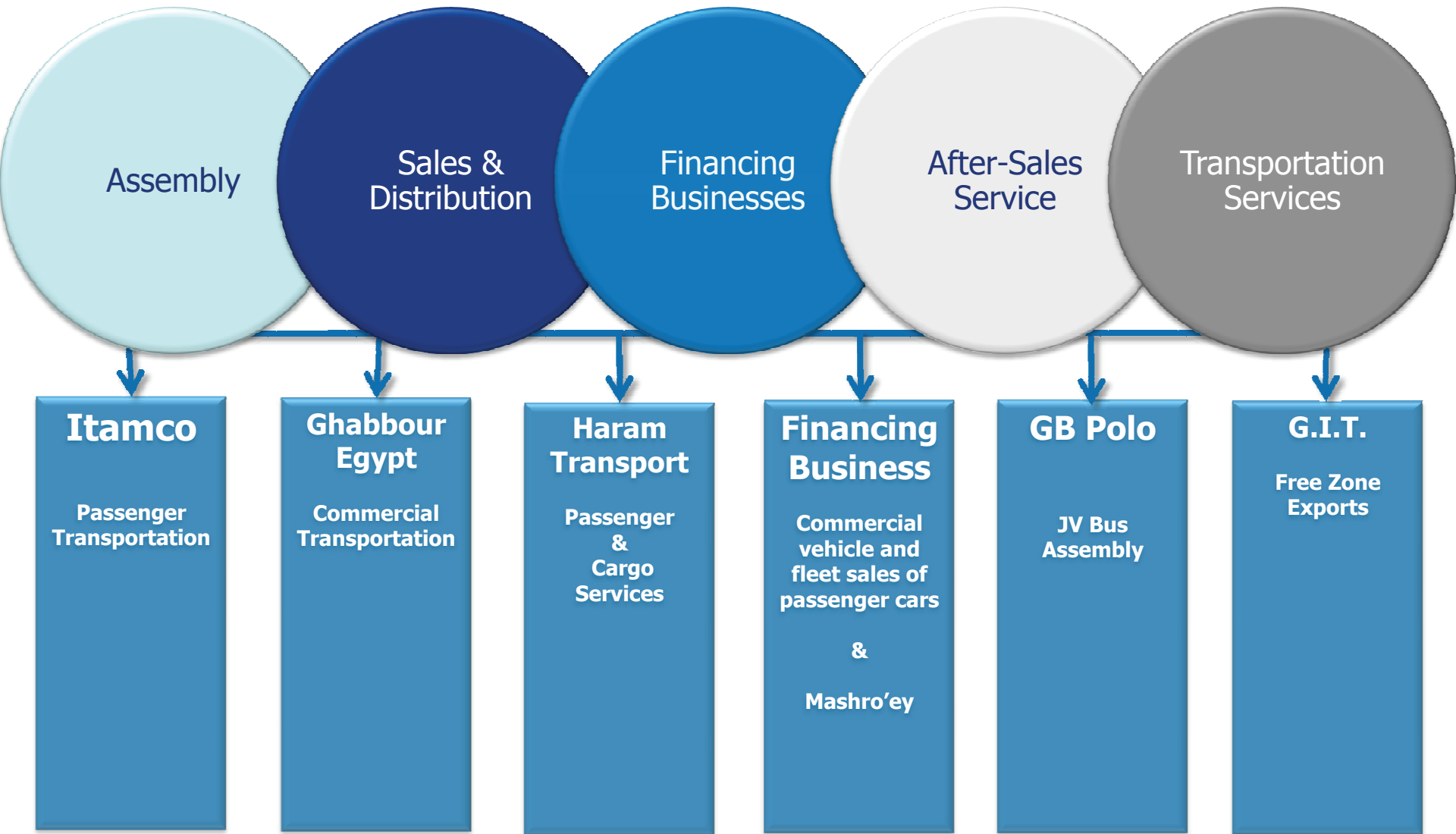


Cancellation of DRs



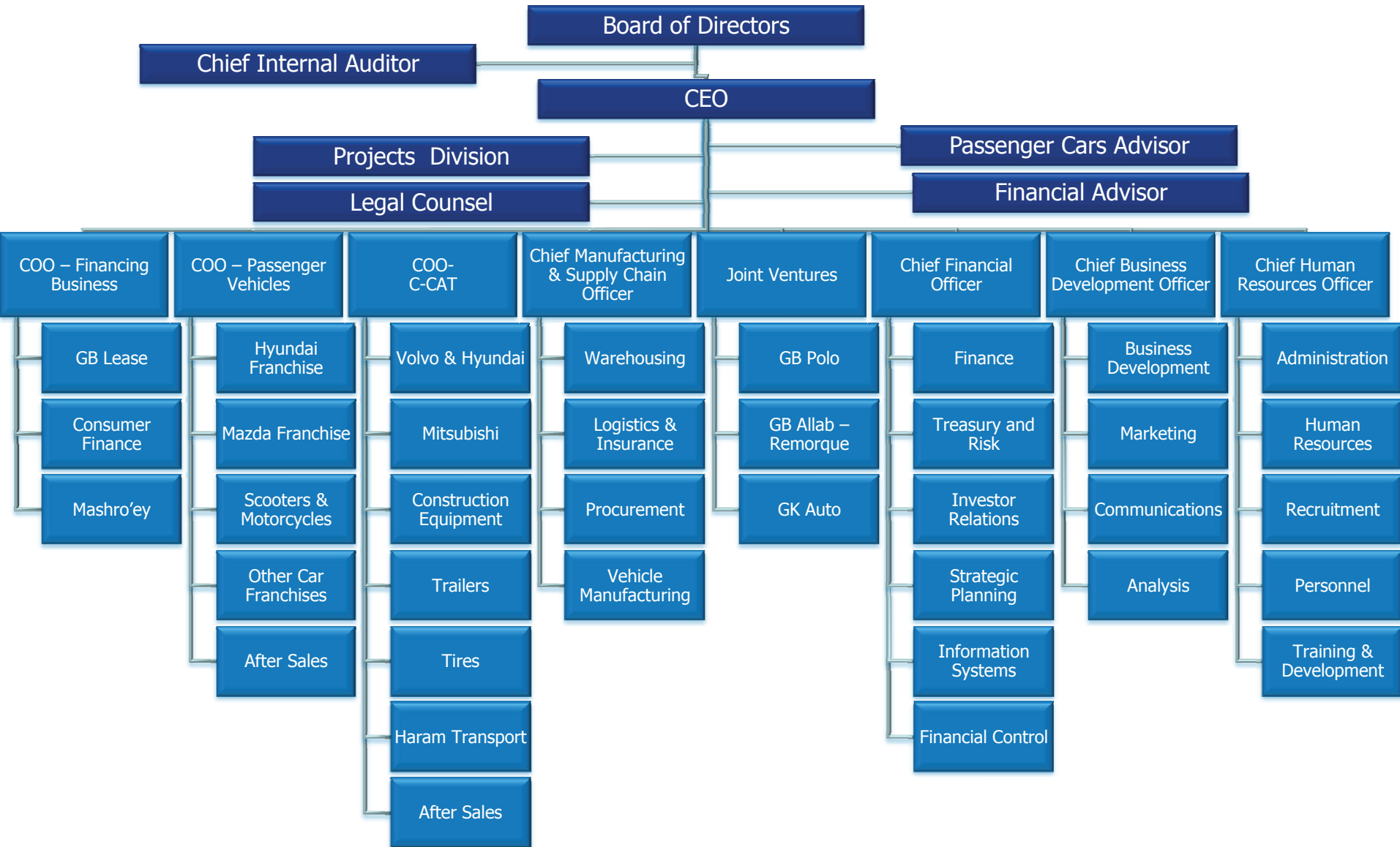
IV. Appendix







Organizational Structure



- 1 **Dr. Raouf Ghabbour**, Chairman of the Board of Directors and 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 the leading automotive assembler and distributor in the Middle East and North Africa.
- 2 **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.
- 3 **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.
- 4 **Mr. Mohamed Naguib Ibrahim** (independent director) was appointed as a General Manager of the largest leasing company in Egypt, International Company of Leasing "Incolease", 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.
- 5 **Mr. Yasser Hashem** (independent director) is a Managing Partner of the prestigious Zaki Hashem & Partners law firm. A member of the Egyptian Bar Association since 1989, Mr. Hashem graduated from the American University in Cairo with an undergraduate degree, and achieved his LL.B. in 1989 from Cairo University.
- 6 **Mr. J.E. Kim** (independent director) is the Chief Executive Officer and President of LOHAS Logitec. Mr. Kim has long been affiliated with Hyundai Motor Corporation, which he first joined in September of 1978. Working his way up through the ranks, Mr. Kim became an HMC Service Team Engineer in 1980 and by 2003 had become Export Director for Middle East & Africa; his final posting at HMC was as CEO of Hyundai Motor America. Mr. Kim graduated from Korea's Kyungpook National University in 1976 with a degree in Mechanical Engineering.
- 7 **Mr. Colin Sykes** (Chief Operating Officer) Colin's international career spans more than 20 years publicly listed, equity-backed and private family-owned organizations advising various types of shareholders and businesses on corporate strategy, business and operational matters. Colin's leadership has been in all of the finance, corporate finance and investor relations areas and in some of the businesses worked at that has extended in operational areas such as supply chain and assembly. He has also lead extensively in all areas of Information Technology for most of the businesses with a solid history in harnessing such technology to streamline operations and substantially improve financial performance. Colin has been with GB Auto two years as CFO. Prior to that Colin has held CFO and Finance Director positions at Lecico Egypt, Tellermate plc and the Gargour Group. He qualified as a Chartered Accountant in 1984 with the international BDO partnership and also holds a Fuqua School of Business MBA from Duke University in the USA.

Thank you
www.ghabbourauto.com

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