

**Highlights of 9M2007 Earnings Release:**

- o Consolidated Revenues reached EGP 1,312.1 million in 3Q2007, representing a 72.8% increase over 3Q2006. Total consolidated revenues for 9M2007 reached EGP 3,285.6 million representing a 43.1% increase over 9M2006.
- o GB Auto maintained its position as the passenger car market leader capturing 27.2% of total market sales volume through the first nine months of 2007.
- o Net Income realized was EGP 95.9 million in 3Q2007, representing an 85.7% increase over 3Q2006. Total net income for 9M2007 reached EGP 242.6 million, representing a 63.5% increase over 9M2006.

**Message from the CEO:**

"Dear Shareholders,

Since the conclusion of a successful IPO and the preceding comprehensive restructuring the Group underwent in the first six months of this year, the last three months have proven to be similarly significant to all of us at GB Auto.

I am proud to report once again, that GB Auto continues to deliver impressive top-line growth across all its key lines of businesses, and continues to dominate a leadership position from a market share perspective in the passenger cars, commercial vehicles, and 3-wheeler markets. Our revenues for the last three months and first nine months of this year grew by a stellar 72.8% and 43.1%, respectively, compared to the same periods of last year. Our market share in the passenger vehicle segment topped 35% in the third quarter, and settled at 27.2% for the full nine months as compared to 26.0% for the period ending June of this year. The steady increase in market share reflects our continued superior competitive position vis-à-vis our customers, by offering the market the widest range of products and continuing to deliver the best value-for-money proposition. It is noteworthy to mention that our 3-Wheeler ("tuk-tuk") and Tires business continue to deliver outstanding growth rates, and combined have contributed to almost 15% of the Group's total revenues year-to-date.

Our consolidated gross margins continue to trail relative to the comparable periods of 2006, however, are essentially in line with the performance delivered during the first half of this year, especially for the passenger and commercial vehicle segments. We continued to employ tactical pricing strategies throughout the year, and while aggressive pricing in our passenger car segment led to continued improvement in market share, it also limited our ability to meaningfully enhance margins. As of October, we have begun to gradually increase prices on our best selling models and have already witnessed significant improvements in gross margins relative to what was delivered in the third quarter. Moreover, due to the persistent robust growth in demand for our products, we continued to experience CKD assembly capacity shortages and were therefore forced to significantly increase our CBU sales in order to meet the market's demand. This also negatively impacted our margins in the last quarter.

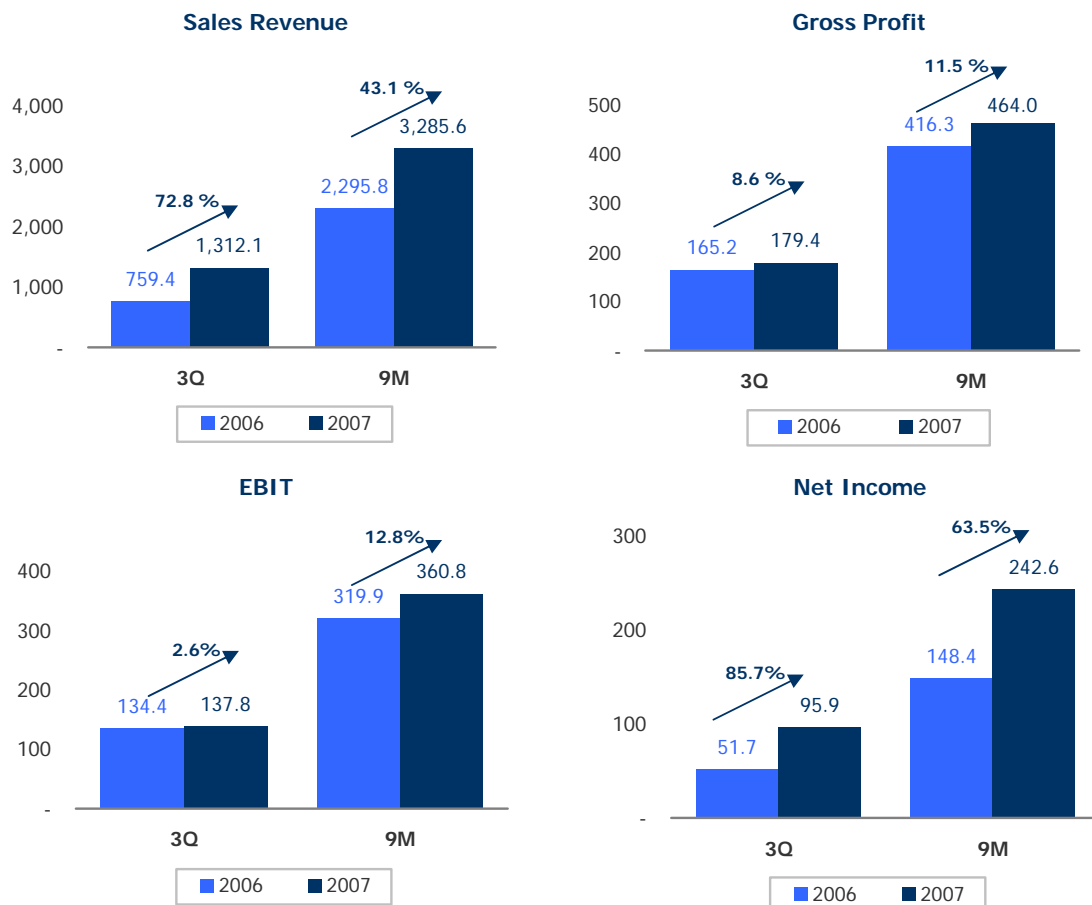
We remain very optimistic about the fourth quarter with regards to continued market growth across all our business lines. We have also embarked on numerous internal initiatives to optimize our organization and HR structures to ensure full alignment with the Group's strategy going forward. We remain committed to aggressively invest in expanding our nation-wide distribution and after-sales networks for passenger and commercial vehicles to solidify and enhance our already dominant market shares. Since the IPO, we have successfully opened five new commercial vehicles service centers across the country and are on track to roll-out an additional twelve centers over the coming twelve months."

**Dr. Raouf Ghabbour, CEO**

## LATEST CORPORATE DEVELOPMENTS

- ▶ GB Auto's human resource department has been active in its attempts to strengthen the depth of the management team. Most recently, a Logistics Director was hired and will be responsible for the supply chain management of the Group. The Company had also engaged Neumann International, a top-tier global executive search firm, to undertake the recruitment of a CFO for the group. Negotiations on that front are being finalized; the new CFO is expected to join GB Auto as of the 1<sup>st</sup> of March, 2008.
- ▶ GB Auto has signed a contract with a leading regional management consultancy firm to advise the Company on the organizational structure that is best aligned with its strategy and expansion plans going forward, and assist in the development of comprehensive sets of functional policies and procedures to support the new organizational structure.
- ▶ GB Auto has initiated the upgrade and strengthening of its audit function.
- ▶ GB Auto was awarded the Top 5 Global Distributors award by Hyundai for its outstanding performance over the past year.
- ▶ In line with its announced strategy of building the widest distribution and after-sales network across Egypt, GB Auto successfully rolled out five new service centers for commercial vehicles in Sharm el Sheikh, Alexandria, Hurghada, Abu Simbel and Mansoura. The Group is on track to roll-out twelve additional centers for both the Commercial Vehicle and Passenger Car business units over the coming twelve months.

## CONSOLIDATED GROUP PERFORMANCE



All figures in EGP million

The Group's consolidated revenues showed remarkable growth of 72.8% in third quarter of 2007, compared to the same quarter of 2006, as a result of top-line growth across all lines of business as GB Auto continues to solidify its leadership position in key markets and capitalizes on key growth opportunities in the midst of favorable market conditions. In the first nine months of 2007, GB Auto recorded consolidated sales revenue of EGP 3,285.6 million, representing a 43.1% y-o-y growth. In analyzing the margin evolution, there is a negligible discrepancy in the Group's margin profile between the results of the first half and nine months of 2007 as indicated in the following table.

	9M2007	1H2007
Gross Profit Margin	14.1%	14.4%
EBIT Margin	11.0%	11.3%
EBT Margin	8.3%	7.9%
Net Income Margin	7.4%	7.4%

GB Auto's net income for the first nine months of 2007 of EGP 242.6 million showed a notable increase of 63.5% over the corresponding period of the previous year as a result of an overall increase in sales, relative reduction in finance charges year-on-year and a reduction in taxes, thereby leading to slight rise in bottom line margins.

## PASSENGER CAR LOB

*GB Auto is the dominant player in the Egyptian car market. The Company is the sole local importer and assembler of Hyundai passenger cars in Egypt and hosts the largest nation-wide after-sales service network.*

The total domestic passenger car market exhibited a y-o-y growth of 37.7% realizing total volume sales of 37,957 units in 3Q2007. During the same period, GB Auto's sales increased by 50.8% to 13,522 units enabling them to increase their market share to 35.6% versus a market share of 32.5% in the same period last year. This jump in market share enabled GB Auto to capture greater market share than that achieved in the first six months of 2007. GB Auto's market share stood at 27.2% the first nine months of 2007.

GB Auto continues to face capacity constraints in its CKD assembly facility, consequently impacting its CBU-CKD mix. While the market continued to grow, GB Auto sought to keep up with market demand by increasing its distribution of CBU vehicles. The sales volume mix altered from being predominantly skewed towards CKD in 3Q2006 to having CBUs comprise 61.4% of total sales in 3Q2007.

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
CBU Sales Volume	(Units)	8,301	3,015		19,129	11,699	
CKD Sales Volume	(Units)	5,221	5,952		15,321	15,950	
<b>Total Sales Volume</b>	(Units)	<b>13,522</b>	<b>8,967</b>	<b>50.8%</b>	<b>34,450</b>	<b>27,649</b>	<b>24.6%</b>
<i>Total Market</i>	(Units)	<i>37,957</i>	<i>27,564</i>		<i>126,514</i>	<i>98,123</i>	
<i>GB Auto Market Share</i>	(%)	<i>35.6</i>	<i>32.5</i>		<i>27.2</i>	<i>28.2</i>	
<b>Sales Revenue</b>	(EGP million)	<b>895.0</b>	<b>487.8</b>	<b>83.5%</b>	<b>2,254.4</b>	<b>1,616.5</b>	<b>39.5%</b>
<b>Gross Profit</b>	(EGP million)	<b>93.7</b>	<b>96.1</b>		<b>245.1</b>	<b>253.2</b>	
<i>Gross Profit Margin</i>	(%)	<i>10.5</i>	<i>19.7</i>		<i>10.9</i>	<i>15.7</i>	
<b>After-Sales Revenue</b>	(EGP million)	<b>39.0</b>	<b>22.0</b>	<b>77.2%</b>	<b>97.6</b>	<b>60.1</b>	<b>62.3%</b>
<b>After-Sales Gross Profit</b>	(EGP million)	<b>16.9</b>	<b>10.6</b>		<b>43.9</b>	<b>29.7</b>	
<i>Gross Profit Margin</i>	(%)	<i>43.3</i>	<i>48.4</i>		<i>45.0</i>	<i>49.5</i>	
<b>Total PC Sales Revenue</b>	(EGP million)	<b>934.0</b>	<b>509.8</b>	<b>83.2%</b>	<b>2,351.9</b>	<b>1,676.6</b>	<b>40.3%</b>
<b>Total PC Gross Profit</b>	(EGP million)	<b>110.6</b>	<b>106.7</b>		<b>288.9</b>	<b>282.9</b>	
<i>Gross Profit Margin</i>	(%)	<i>11.8</i>	<i>20.9</i>		<i>12.3</i>	<i>16.9</i>	

Contributing to approximately 71.2% of consolidated revenues in 3Q2007, the Passenger Car LoB recorded total revenues of EGP 934.0 million in 3Q2007 and 2,351.9 million in 9M2007, showing robust growth of 83.2% and 40.3%, respectively, over the corresponding period of the previous year. Gross profit remained almost flat over the period on the back of a decline in margins in 3Q2007, attributed to the following reasons:

- The shift towards greater CBU sales imposed by CKD assembly capacity constraints,
- Pricing mismanagement leading to overly defensive pricing strategies, and
- Inflated costs in the after-sales segment, due to the aggressive recruitment and high expenditure on training for skilled technicians to be deployed in service centers throughout the nation, in line with the Group's strategy to roll-out twelve new service centers over the coming twelve months.

## COMMERCIAL VEHICLE LOB

*The Commercial Vehicle line of business offers a wide range of locally-assembled trucks and buses under exclusive agent and distributorship agreements with Mitsubishi, Volvo and Hyundai. GB Auto also operates in the manufacturing and distribution of semi-trailers and super-structures (i.e. oil and chemical tankers, and concrete mixers).*

The commercial vehicle segment witnessed strong growth across all segments in 3Q2007 with the bus, truck and trailer segments showing quarter-on-quarter growth of 55.3%, 22.5% and 374.2% respectively. GB Auto captured a market share of 22.0% and 13.1% of the bus and truck markets, respectively. GB Auto captured a market share of 32.5% and 8.4% of the bus and truck markets, respectively.

		3Q2007	3Q2006	Growth	9M2007	9M2006	growth
<b>Bus Sales Volume</b>	(Units)	514	331	55.3%	1,033	811	27.4%
<i>GB Auto Market Share</i>	(%)	36.8	27.1		32.5	33.1	
<b>Truck Sales Volume</b>	(Units)	158	129	22.5%	467	538	-13.2%
<i>GB Auto Market Share</i>	(%)	7.6	32.5		8.4	14.6	
<b>Trailer Sales Volume</b>	(Units)	147	31	374.2%	357	40	792.5%
<b>Sales Revenue</b>	(EGP million)	156.1	104.4	49.6%	376.2	286.4	31.4%
<b>Gross Profit</b>	(EGP million)	38.3	33.6		82.3	78.5	
<i>Gross Profit Margin</i>	(%)	24.5	32.2		21.9	27.4	
<b>After-Sales Revenue</b>	(EGP million)	6.8	5.7	19.2%	19.0	15.3	24.1%
<b>After-Sales Gross Profit</b>	(EGP million)	3.6	3.0		8.3	8.0	
<i>Gross Profit Margin</i>	(%)	52.7	52.8		43.6	52.5	
<b>Total CV Sales Revenue</b>	(EGP million)	<b>162.9</b>	<b>110.1</b>	48.0%	<b>395.2</b>	<b>301.7</b>	31.0%
<b>Total CV Gross Profit</b>	(EGP million)	<b>41.9</b>	<b>36.6</b>		<b>90.6</b>	<b>86.5</b>	
<i>Gross Profit Margin</i>	(%)	<b>25.7</b>	<b>33.3</b>		<b>22.9</b>	<b>28.7</b>	

Contributing to 12.4% of the Group's consolidated top line in 3Q2007, commercial vehicles revenue exhibited robust quarter-on-quarter growth of 48.0%. The commercial vehicles line of business recorded total sales of EGP 395.2 million in the first nine months of 2007, yielding a y-o-y growth of 31.0%. Gross profit witnessed a more subtle increase as margins declined due to a changing product mix, whereby the Group experienced higher sales of large coaches and heavy trucks in the first half of 2007 which carry lower margins than light trucks and minibuses. Moreover, this quarter witnessed greater servicing of commercial vehicles originating from the Group's transportation services operation, which is a less profitable business and marginally impacted the division's after-sales margins.

## TWO- AND THREE-WHEELER LOB

*GB Auto is the local agent and distributor for Bajaj three-wheel scooters ("tuk-tuks"), two-wheel scooters and Boxer motorcycles.*

GB Auto continues to dominate the two- and three-wheeler market, particularly the tuk-tuk segment in the market where it is the only player.

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
<b>2-Wheeler Sales Volume</b>	(Units)	894	1,003	-10.9%	2,327	1,942	19.8%
<b>3-Wheeler Sales Volume</b>	(Units)	11,388	7,714	47.6%	28,031	17,826	57.2%
<b>Total Sales Revenue</b>	(EGP million)	161.4	106.6	51.4%	388.5	244.5	58.9%
<b>Total Gross Profit</b>	(EGP million)	26.4	17.4		61.3	36.7	
<i>Gross Profit Margin</i>	(%)	16.4	16.3		15.8	15.0	

Realizing total sales revenue of EGP 388.5 million in the first nine months of 2007, this LoB contributed approximately 11.8% of the Group's consolidated revenues. Sales revenue grew by 51.4% q-o-q and 58.9% y-o-y. Margins saw a slight increase from 15.3% in 1H2007 to 15.8% in 9M2007 yielding a gross profit of EGP 61.3 million. The continued improvement in margins was a direct result from improving operational efficiencies in this LoB.

## OTHER LOB

### TIRES

*GB Auto distributes Lassa passenger car and light truck tires and Double Coin truck, bus and off-road tires.*

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
<b>Total Sales Revenue</b>	(EGP million)	27.5	12.1	128.2%	86.4	32.2	168.2%
<b>Total Gross Profit</b>	(EGP million)	4.0	1.7		10.3	4.4	
<i>Gross Profit Margin</i>	(%)	14.6	14.3		11.9	13.6	

In the third quarter of 2007, the tire division delivered stellar performance with top-line y-o-y growth of 128.2% resulting from management's dedication to capitalize on the growth experienced in the market whilst increasing the visibility of its Double Coin and Lassa brands in the market.

### CONSTRUCTION EQUIPMENT

*GB Auto distributes Volvo construction equipment and Linde materials handling equipment.*

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
<b>Total Sales Revenue</b>	(EGP million)	8.2	0.5	1,594.6%	11.1	1.5	635.6%
<b>Total Gross Profit</b>	(EGP million)	1.2	0.2		1.8	0.5	
<i>Gross Profit Margin</i>	(%)	14.1	41.0		16.0	33.7	

The construction equipment division grew by nearly 16-fold in the third quarter of 2007, generating revenues of EGP 8.2 million. This remarkable performance is attributed to the success of the management team that, since its recruitment in 2Q2006, has sought to expand this line of business and benefit from the favorable market conditions of a booming construction sector. Margins have come down compared to last year as the bulk of 2006

sales resulted from after-sales activities which carry higher margins. This year, actual unit sales of new equipment formulate the key growth driver of this business unit.

### TRANSPORTATION SERVICES

*GB Auto provides public passenger and cargo transportation services through its wholly-owned subsidiary, Haram Transport Company.*

During the third quarter of 2007, GB Auto was awarded three new exclusive tenders to operate inter-governorate passenger transportation in Damietta, Souhag and Qena.

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
<b>Total Sales Revenue</b>	(EGP million)	9.8	7.0	41.5%	38.6	16.4	135.5%
<b>Total Gross Profit</b>	(EGP million)	(1.5)	(0.1)		8.6	0.6	
<i>Gross Profit Margin</i>	(%)	-15.6	-1.7		22.4	3.8	

This line of business grew by 135.5% in the first nine months of 2007. Despite showing healthy growth, this relatively "start-up" business is still experiencing some growing pains. While margins slipped in 3Q2007 due to the establishment of routes in the newly-awarded governorates, the accumulated operations for the first nine months of this year show a healthy gross profit margin of 22.4%.

### MISCELLANEOUS

*GB Auto engages in a number of export activities including selling commercial vehicles in Saudi Arabia, the United Arab Emirates, Algeria and Ethiopia.*

		3Q2007	3Q2006	growth	9M2007	9M2006	growth
<b>Total Sales Revenue</b>	(EGP million)	8.3	13.4	-38.1%	13.9	22.9	-39.3%
<b>Total Gross Profit</b>	(EGP million)	1.4	2.6		2.6	4.6	
<i>Gross Profit Margin</i>	(%)	17.1	19.6		18.5	20.3	

Miscellaneous activities include exports and others. This division recorded sales revenue of EGP 13.9 million and gross profit of EGP 2.6 million in the first nine months of 2007. These figures are incomparable to those of the corresponding period of the previous year as such figures include other non-auto activities that have been divested as part of the restructuring undertaken by the Group prior to the IPO which took place in July of this year.



**INTERIM FINANCIAL STATEMENTS**

**INCOME STATEMENT**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(EGP million)			
Sales Revenue	1,312.105	759.366	3,285.568	2,295.800
COGS	(1,132.754)	(594.183)	(2,821.519)	(1,879.501)
<b>Gross Profit</b>	<b>179.351</b>	<b>165.183</b>	<b>464.049</b>	<b>416.299</b>
<i>Gross Profit margin</i>	<i>13.7%</i>	<i>21.8%</i>	<i>14.1%</i>	<i>18.1%</i>
Selling Expenses	(25.421)	(23.209)	(65.032)	(52.675)
General & Administrative Expenses	(21.788)	(9.371)	(52.991)	(48.754)
Other Operating Income (Expense)	5.664	1.747	14.821	5.041
<b>EBIT</b>	<b>137.806</b>	<b>134.350</b>	<b>360.847</b>	<b>319.911</b>
<i>EBIT margin</i>	<i>10.5%</i>	<i>17.7%</i>	<i>11.0%</i>	<i>13.9%</i>
Net Financing Expenses	(20.961)	(28.959)	(88.551)	(96.863)
<b>EBT</b>	<b>116.845</b>	<b>105.391</b>	<b>272.296</b>	<b>223.048</b>
<i>EBT margin</i>	<i>8.9%</i>	<i>13.9%</i>	<i>8.3%</i>	<i>9.7%</i>
Tax Expense	(20.864)	(37.609)	(29.564)	(58.448)
<b>NPAT</b>	<b>95.981</b>	<b>67.782</b>	<b>242.732</b>	<b>164.600</b>
<i>NPAT margin</i>	<i>7.3%</i>	<i>8.9%</i>	<i>7.4%</i>	<i>7.2%</i>
Minority Interest	(0.076)	(16.125)	(0.158)	(16.222)
<b>Net Income</b>	<b>95.905</b>	<b>51.657</b>	<b>242.574</b>	<b>148.378</b>
<i>Net Income margin</i>	<i>7.3%</i>	<i>6.8%</i>	<i>7.4%</i>	<i>6.5%</i>

## BALANCE SHEET

	(EGP million)	31 December 2006	30 September 2007
Cash		160.761	249.281
Net Accounts Receivable		228.366	254.442
Inventory		363.866	346.900
Debtor and Other Debit Balances		194.738	502.342
Other Current Assets		21.555	13.169
<b>Total Current Assets</b>		<b>969.286</b>	<b>1,366.134</b>
Net Fixed Assets		361.894	470.306
Goodwill and Intangible Assets		4.939	172.045
Other Long-term Assets		47.549	31.959
<b>Total Long-term Assets</b>		<b>414.382</b>	<b>674.310</b>
<b>Total Assets</b>		<b>1,383.668</b>	<b>2,040.444</b>
Short-Term Debt		448.687	329.843
Accounts Payable		714.207	558.467
Other Current Liabilities		262.518	215.788
<b>Total Current Liabilities</b>		<b>1,425.412</b>	<b>1,104.098</b>
Long-Term Debt		571.228	250.767
Other Long-Term Liabilities		29.596	63.980
<b>Total Long-Term Liabilities</b>		<b>600.824</b>	<b>314.747</b>
<b>Total Liabilities</b>		<b>2,026.236</b>	<b>1,418.845</b>
Minority Interest		49.900	0.417
Common Stock		95.837	129.000
Treasury Shares		-	(103.000)
Transfer to Reserves		85.897	1,223.551
Retained Earnings (Losses)		(874.202)	(628.369)
<b>Total Shareholder's Equity</b>		<b>(642.568)</b>	<b>621.599</b>
<b>Total Liabilities and Shareholder's Equity</b>		<b>1,383.668</b>	<b>2,040.444</b>

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