



## The GB Auto Growth Story Continues

**Egypt's only publicly traded automotive company announces strong earnings growth and strengthening margins in first half of 2008 on sales of 27,467 passenger cars**

6 August 2008 • (Cairo, Egypt) GB Auto (AUTO.CA on the Egyptian Stock Exchange) announced today its consolidated results for the first half of 2008, reporting net income of LE 237.2 million, an increase of 61.7% over the same half of 2007. Strong growth in passenger car sales and the capture of market share in its commercial vehicle line of business helped GB Auto's total revenues climb 32.9% to LE 2,623.7 million for the first half of the year. The company's gross profit margin improved 2.9 percentage points to 17.3%.

These results cement GB Auto's position as Egypt's number-one auto company. "We are delighted with our results for the first half of 2008, which mirror the strong growth in the Egyptian economy even as global markets slow down," says GB Auto CEO Raouf Ghabbour.

GB Auto reported 31.2% growth in passenger cars sales to 27,467 units, 69.3% growth in sales of commercial vehicles to 2,027 units and 191.5% growth in sales of motorcycles to 4,177 units. "We also note with pleasure the recent passage of legislation allowing the licensing and registration of three-wheeler (tuk-tuk) vehicles," noted Ghabbour.

"Looking ahead, we see considerable market opportunities presented by a new traffic law recently passed in Egypt," says Ghabbour. "We also see strong export potential in a joint venture with global bus powerhouse Marcopolo of Brazil. Production from this new factory will target fast-growing markets in the Middle East and Africa when production begins in 2009."

Management is optimistic that the expansion of the company's distribution and after-sales networks will provide new sales opportunities, Ghabbour says, adding, "We look forward to the completion of our CKD capacity expansion in the second quarter of 2009. This will allow us to assemble as many as 85,000 units per year compared to 33,000 units at present."

CKD stands for "completely knocked down" and is the term used in the industry to refer to cars assembled in Egypt, not those imported completely built-up (CBU).

Highlights from GB Auto's results for the six months ending June 30, 2008, are below. The full statements with analysis are available on GB Auto's website: [www.ghabbourauto.com](http://www.ghabbourauto.com).

— Ends —

## GB Auto Results for the First Half of 2008

In LE million	2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
Passenger Cars	1,192.5	827.6	44.1	1,950.7	1,417.9	37.6
Commercial Vehicles	185.6	133.8	38.7	379.3	232.3	63.3
Motorcycles & Three Wheelers	96.5	98.7	-2.2	195.2	227.1	-14.0
Others	45.2	66.3	-31.8	98.5	96.2	2.4
<b>Total Sales Revenue</b>	<b>1,519.8</b>	<b>1,126.4</b>	<b>34.9</b>	<b>2,623.7</b>	<b>1,973.5</b>	<b>32.9</b>
<b>Gross Profit</b>	<b>260.7</b>	<b>152.6</b>	<b>70.8</b>	<b>452.8</b>	<b>284.7</b>	<b>59.0</b>
<i>Gross Profit Margin</i> (%)	17.2	13.5	3.7	17.3	14.4	2.9
Selling & Administration	-66.2	-35.1	88.6	-130.7	-70.0	86.7
Others - Income/(Expenses)	8.2	11.4	-28.1	15.1	7.4	104.1
<b>Earnings before interest</b>	<b>202.7</b>	<b>128.9</b>	<b>61.5</b>	<b>337.2</b>	<b>223.1</b>	<b>51.2</b>
Net finance cost	-22.9	-26.1	-12.5	-45.8	-67.6	-32.2
<b>Earnings before tax</b>	<b>179.9</b>	<b>102.8</b>	<b>75.3</b>	<b>291.5</b>	<b>155.5</b>	<b>87.5</b>
Income taxes	-33.3	-4.0	732.5	-53.4	-8.7	513.5
<b>Net Income after tax</b>	<b>146.6</b>	<b>98.8</b>	<b>48.6</b>	<b>238.0</b>	<b>146.8</b>	<b>62.2</b>
Minority Interest	-0.5	-0.1	-	-0.8	-0.1	-
<b>Net Income</b>	<b>146.1</b>	<b>98.7</b>	<b>48.1</b>	<b>237.2</b>	<b>146.7</b>	<b>61.7</b>
<i>Net Income Margin</i> (%)	9.6	8.8	0.8	9.0	7.4	1.6

### About GB Auto S.A.E.

GB Auto S.A.E (Stock Symbol: AUTO.CA) is the leading automotive producer and distributor in the Egyptian market. The company assembles, imports and distributes passenger cars under the Hyundai brand as well as commercial vehicles (buses, trucks and trailers) under the Volvo, Mitsubishi, Hyundai and Ghabbour brands. In addition, it distributes motorcycles and scooters under the Bajaj brand, tires under the Lassa and Double Coin brands and construction equipment under the Volvo and Linde brands. The company also operates Egypt's largest network of service centers and automotive accessories sales points as well as passenger and cargo transportation services. GB Auto is headquartered in Giza, Greater Cairo Area, Egypt. ([www.ghabbourauto.com](http://www.ghabbourauto.com))

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