



## GB Auto Growth Story Continues

**Egypt's only publicly traded automotive company announces strong earnings growth and strengthening margins in the first half of 2008**

**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. GB Auto posted strong passenger car sales growth and captured market share in its commercial vehicle line of business, helping total revenues surge 32.9% to LE 2,623.7 million for the first half of the year and cementing its position as Egypt's number-one auto company.

### Highlights

#### Second Quarter 2008

- **GB Auto revenue** reached LE 1,519.8 million in 2Q2008, a 34.9% increase over 2Q2007.
- **Consolidated gross profit** stood at LE 260.7 million in 2Q2008, representing a 70.8% increase over 2Q2007 and boosting margins to 17.2%, an improvement of 3.7 percentage points over 2Q2007.
- **Net income** totaled LE 146.1 million, an increase of 48.1% over 2Q2007. Net profit margin for the quarter registered at 9.6%, a 0.8 point improvement over the second quarter of 2007.

**Passenger car** revenue rose 44.1% to LE 1,192.5 million, driven by 41.4% growth in volumes and 12.0% growth in after-sales revenue. Passenger car gross profits are up 120.0% to LE 209.4 million.

**Commercial vehicle** revenue climbed 38.7% to LE 185.6 million, driven by a 55.8% rise in volumes. Commercial vehicle gross profits rose 31.4% to LE 33.9 million.

**Motorcycle and Three-Wheeler** revenue fell 2.2% to LE 96.5 million as a result of a 28.8% drop in sales volume of three-wheelers due to licensing and registration issues in the market. Motorcycle and three-wheeler gross profits rose 3.2% to LE 16.0 million while margins improved 0.9 points to 16.5%

#### First Half 2008

- **GB Auto revenue** reached LE 2,623.7 million in 1H2008, a 32.9% increase over 1H2007.
- **Consolidated gross profit** stood at LE 452.8 million in 1H2008, representing a 59.0% rise over 1H2007. Gross profit margin improved 2.9 percentage points to 17.3%.
- **Net income** totaled LE 237.2 million in 1H2008, an increase of 61.7% over 1H2007. Net profit margin improved 1.6 percentage points to 9.0%.

**Passenger car** revenue increased 37.6% over 1H2007 to LE 1,950.7 million, driven by 31.2% growth in volumes and 29% growth in after-sales revenue. Passenger car gross profits are up 86.2% to LE 340.7 million.

**Commercial vehicle** revenue rose 63.3% to LE 379.3 million. Commercial vehicles gross profits rose 52.4% to LE 74.2 million.

**Motorcycles and Three-Wheelers** revenue fell 14% to LE 195.2 million, driven by a 30.2% drop in unit sales of three-wheelers. Motorcycle and three-wheeler gross profits fell 3.2% to LE 33.7 million, but margins improved 2.0 percentage points to 17.3%.

## **Message from the CEO:**

Dear Shareholders,

I am pleased to report herein the performance of GB Auto for the first half of the current fiscal year, which covers the six-month period ending June 30, 2008. In this time, GB Auto has sustained the multi-faceted growth that has made us so attractive to investors at home and abroad, staying ahead in the fast-growing Egyptian automotive sector with 31.2% unit growth in passenger cars sales, 69.3% growth in unit sales of commercial vehicles and 191.5% growth in unit sales of motorcycles. Also in this period, we note with pleasure the passage of legislation allowing the licensing and registration of three-wheeler (tuk-tuk) vehicles, a market segment in which GB Auto is the clear national leader with an unbroken first-to-market advantage.

Our strong growth is supported by the macroeconomic fundamentals of the Egyptian economy, which is currently in its fifth year of uninterrupted growth. According to state figures, GDP expanded 7.5% in the first quarter of 2008, and the government is maintaining a 7% target for its current 2008-09 fiscal year. At the same time, the nation's budget deficit as a percentage of GDP has been on the decline, underscoring the Cabinet's commitment to macroeconomic stability.

Moreover, Egypt remains a nation without a robust public transportation infrastructure, meaning investments to shore up this sector will continue to benefit GB Auto's sales. The distribution and state of Egypt's infrastructure will see consumers continue to rely on personal automobiles; also worth noting is the fact that the incomes of the broad base of consumers that GB Auto serves are currently growing faster than Egypt's inflation rate.

Going forward, we remain optimistic about sales through the medium term. The passage of a new traffic law mandating that no vehicle over 20 years old may be used as a taxi will directly benefit GB Auto's passenger car line of business as the requirement is phased in over the coming three years, forcing as many as 60,000 cars off the roads. The same law will ban the use of drawbar trailers within four years; at present, more than 30,000 drawbar trailers are on Egypt's highways. Finally, the same law explicitly authorizes the licensing and registration of three-wheeler (tuk-tuk) vehicles, a segment in which GB Auto is by far the dominant player.

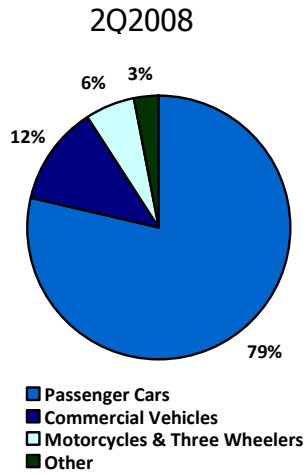
In that context, we look forward to the expansion of our passenger car CKD production capacity to 85,000 units per year from today's 33,000 units when our new paint shop comes into service in the second quarter of next year. Similarly, we expect to complete the expansion of our trailer production capacity in November 2008, giving us at least a threefold rise in capacity from today's 1,200 units per year. Management is also optimistic that the expansion of the company's distribution and after-sales networks will provide new sales opportunities, while our recent joint-venture manufacturing partnership with global bus experts Marcopolo will open a strong export channel when production comes on stream in the second half of 2009.

Meanwhile, the company is open to regional partnerships, particularly in North Africa, that would extend GB Auto's position as the leading regional automotive company. GB Auto will also consider new lines of business within Egypt as market opportunities in the auto-related field present themselves due to factors including legislative and infrastructure developments.

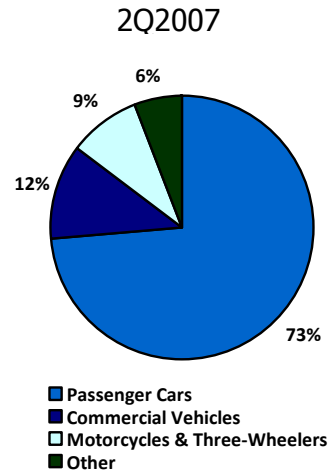
In sum, we believe GB Auto has the vision, the management and the capital it requires to maintain its role as a national champion while creating a new presence on the regional stage.

**Dr. Raouf Ghabbour, CEO**

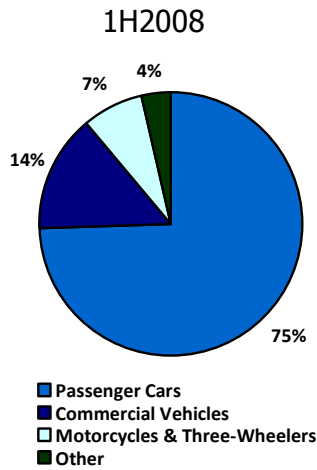
**REVENUES FOR 2Q2008 AND 1H2008 ARE SPLIT AS FOLLOWS**



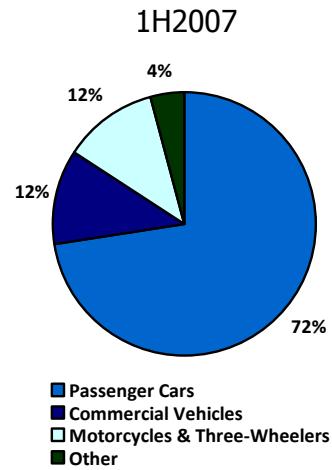
LE 1.5 billion



LE 1.1 billion



LE 2.6 billion

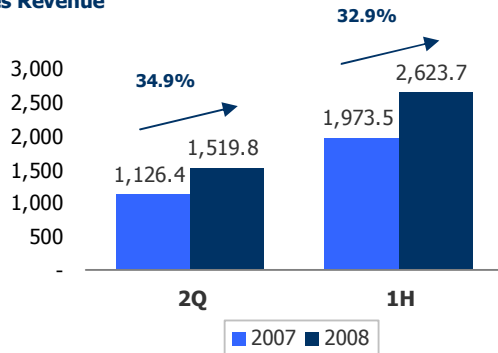


LE 2.0 billion

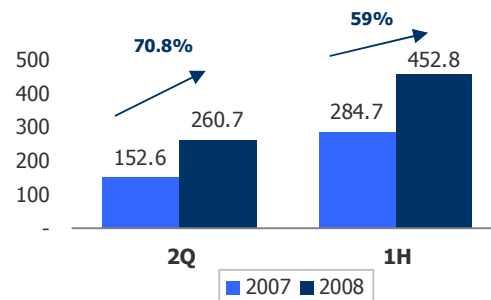
## CONSOLIDATED GROUP PERFORMANCE

All figures in LE million

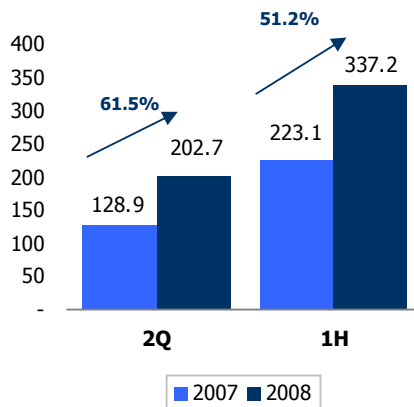
### Sales Revenue



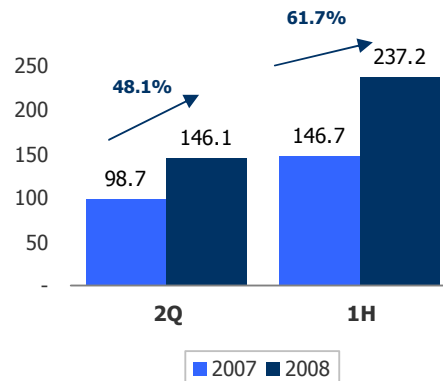
### Gross Profit



### EBIT



### Net Income



## SELLING & GENERAL ADMINISTRATION

GB Auto continues to view SGA expenditures as investments positioning GB Auto for long-term, sustainable growth. Management is keeping a close eye on sales and marketing costs, and GB Auto's employment costs have grown in the past 18 months as the company has added new staff in a high-growth period as well as because of salary inflation in the marketplace. We continue to target a position in the first quartile as we aim to retain our talented staff and attract new employees. Management hopes to recover this expenditure in part through improved efficiencies as well as through increased revenues in keeping with the level and quality of staff the company employs.

## PASSENGER CAR LINE OF BUSINESS

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

Egypt's passenger car market grew 33.6% in 1H2008 with total sales of 108,670 units. GB Auto's unit sales in the same period grew 31.2% to 27,467 units (of which 62.4% were CBU and 37.6% CKD). Among the factors propelling growth were sales of Getz, Elantra and the new Accent as well as the introduction of the I10 and I30 models.

Market-wide, sales growth in the first half was particularly strong for brands in the smaller-engine-size. GB Auto's market share improved 1.1 percentage points to 28.6% in 2Q2008 compared to the same quarter last year; the company remains the clear market leader, with a market share more than double its nearest competitor.

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
CBU Sales Volume	(Units)	10,860	6,797	59.8	17,129	10,828	58.2
CKD Sales Volume	(Units)	6,081	5,186	17.3	10,338	10,100	2.4
<b>Total Sales Volume</b>	(Units)	<b>16,941</b>	<b>11,983</b>	<b>41.4</b>	<b>27,467</b>	<b>20,928</b>	<b>31.2</b>
<i>Total Market</i>	(Units)	<i>59,229</i>	<i>43,543</i>	<i>36.0</i>	<i>108,670</i>	<i>81,310</i>	<i>33.6</i>
<i>GB Auto Market Share</i>	(%)	<i>28.6</i>	<i>27.5</i>	<i>1.1</i>	<i>25.3</i>	<i>25.7</i>	<i>-0.4</i>
<b>Sales Revenue</b>	(LE million)	1,153.4	792.6	45.5	1,875.1	1,359.3	37.9
<b>Gross Profit</b>	(LE million)	192.5	79.5	142.1	307.6	156.0	97.3
<i>Gross Profit Margin</i>	(%)	<i>16.7</i>	<i>10.0</i>	<i>6.7</i>	<i>16.4</i>	<i>11.5</i>	<i>4.9</i>
<b>After-Sales Revenue</b>	(LE million)	39.1	34.9	12.0	75.6	58.6	29.0
<b>After-Sales Gross Profit</b>	(LE million)	17.0	15.7	8.3	33.1	27.0	22.4
<i>Gross Profit Margin</i>	(%)	<i>43.5</i>	<i>44.9</i>	<i>-1.4</i>	<i>43.7</i>	<i>46.1</i>	<i>-2.4</i>
<b>Total PC Sales Revenue</b>	(LE million)	<b>1,192.5</b>	<b>827.6</b>	<b>44.1</b>	<b>1,950.7</b>	<b>1,417.9</b>	<b>37.6</b>
<b>Total PC Gross Profit</b>	(LE million)	<b>209.4</b>	<b>95.2</b>	<b>120.0</b>	<b>340.7</b>	<b>183.0</b>	<b>86.2</b>
<i>Gross Profit Margin</i>	(%)	<i>17.6</i>	<i>11.5</i>	<i>6.1</i>	<i>17.5</i>	<i>12.9</i>	<i>4.6</i>

Passenger car LOB revenues for 1H2008 stood at LE 1,950.7 million, up 37.6% from the same period the previous year. Gross profit climbed 86.2% to LE 340.7 million in 1H2008 while gross margin improved 4.6 percentage points to 17.5%.

As distributors were well-stocked with CKD models in the last quarter of 2007, GB Auto's sales in 1H2008 shifted in favor of CBU models, which carry a lower margin. Despite that trend, margins grew as a result of both better selling prices year-on-year and the weaker US dollar. Temporary supply constraints on certain CBU models restricted sales in the first half. GB Auto will launch focused marketing campaigns in 2H2008 to drive growth toward CKD models. Investment in a new paint shop continues, with the facility set to come into use in the first half of 2009, allowing a sharp expansion of CKD capacity.

## COMMERCIAL VEHICLE LINE OF BUSINESS

*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 superstructures (i.e. oil and chemical tankers as well as concrete mixers).*

The commercial vehicle line of business posted gains throughout the first half of 2008, with both revenues and gross profits up as truck and trailer sales grew strongly. Commercial vehicle LOB revenues for 1H2008 stood at LE 379.3 million, up 63.3% from the same period last year. Gross profit climbed 52.4% to LE 74.2 million in 1H2008, while gross margin dipped by 1.4 points to 19.6% as a result of increasing steel prices and the rising value of both the euro and the yen.

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
<b>Buses Sales Volume</b>	(Units)	316	398	-20.6	700	624	12.2
<i>GB Auto Market Share</i>	(%)	34.5	36.4		36.4	34.9	
<b>Trucks Sales Volume</b>	(Units)	318	133	139.1	734	363	102.2
<i>GB Auto Market Share</i>	(%)	12.3	8.7		15.2	12.0	
<b>Trailer Sales Volume</b>	(Units)	190	52	265.4	305	79	286.1
<b>Superstructures Sales Volume</b>	(Units)	259	112	131.3	288	131	119.8
<b>Total Sales Volume</b>	(Units)	1083	695	55.8	2,027	1,197	69.3
<b>Sales Revenue</b>	(LE million)	171.8	129.1	33.1	351.5	220.1	59.7
<b>Gross Profit</b>	(LE million)	30.0	24.0	25.0	65.5	44.0	48.9
<i>Gross Profit Margin</i>	(%)	17.5	18.6	-1.2	18.6	20.0	-1.4
<b>After-Sales Revenue</b>	(LE million)	13.8	4.7	193.6	27.7	12.2	127.1
<b>After-Sales Gross Profit</b>	(LE million)	3.9	1.8	116	8.7	4.7	85.1
<i>Gross Profit</i>	(%)	28.3	38.3	-10.0	31.4	38.5	-7.1
<b>Total CV Sales Revenue</b>	(LE million)	<b>185.6</b>	<b>133.8</b>	<b>38.7</b>	<b>379.3</b>	<b>232.3</b>	<b>63.3</b>
<b>Total CV Gross Profit</b>	(LE million)	<b>33.9</b>	<b>25.8</b>	<b>31.4</b>	<b>74.2</b>	<b>48.7</b>	<b>52.4</b>
<i>Gross Profit Margin</i>	(%)	18.3	19.3	-1.0	19.6	21.0	-1.4

While truck unit sales were up 139.1% in 2Q2008 over the same quarter the previous year (and climbed 102.2% for the first half), bus sales volume edged down 20.6% in 2Q2008 as a result of timing differences in supply. Sales of trailers have benefitted from rising capacity and new demand, growing a sharp 286.1% in 1H2008 compared with the same half last year. Superstructure sales rose 119.8% in the first half of 2008 compared to the same half last year.

Demand for light-medium and heavy trucks was particularly high in 1H2008, a trend likely to continue through year's end barring external shocks, while growth in trailer sales is also likely to remain steady amid rising demand.

## MOTORCYCLE AND THREE-WHEELER LINE OF BUSINESS

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

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
<b>Two-wheeler Sales Volume</b>	(Units)	3,298	814	305.2	4,177	1,433	191.5
<b>Three-wheeler Sales Volume</b>	(Units)	5,050	7,093	-28.8	11,622	16,643	-30.2
<b>Total Sales Revenue</b>	(LE million)	96.5	98.7	-2.2	195.2	227.1	-14.0
<b>Total Gross Profit</b>	(LE million)	16.0	15.5	3.2	33.7	34.8	-3.2
<i>Gross Profit Margin</i>	(%)	16.6	15.7	0.9	17.3	15.3	2.0

Motorcycle and three-wheeler LOB revenues for 1H2008 stood at LE 195.2 million, down 14.0% from the same period last year. Gross profit dropped 3.2% to LE 33.7 million in 1H2008, while gross margin improved by 2.0 points to 17.3% on the strength of currency benefits and improved product mix.

A 12.6% drop in total unit sales for the motorcycle and three-wheeler line of business in 1H2008 comes as a result of a 30.2% fall-off in three-wheeler (tuk-tuk) unit sales not offset by 191.5% growth in the two-wheeler segment. Falling tuk-tuk sales came as a result of customers' inability to register and obtain licenses for these vehicles.

That said, GB Auto retains an unbroken first-to-market advantage in the three-wheeler segment. Management notes favorably the passage in late June 2008 of legislation that explicitly permits the licensing and registration of tuk-tuks as motorcycles.

Across this line of business, GB Auto has a strong name in the marketplace and has benefitted from favorable currency rates in 1H2008. Second-quarter motorcycle sales benefitted from a 1,500 unit contract with a government ministry, while after-sales revenues grew strongly in 2Q2008; the company now operates eight spares outlets and three service centers for this LOB.

## OTHER LINES OF BUSINESS

### TIRES

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

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
<b>Total Sales Revenue</b>	(LE million)	9.9	36.9	-73.2	31.7	58.9	-46.2
<b>Total Gross Profit</b>	(LE million)	1.8	0.8	125.0	5.6	6.2	-9.7
<i>Gross Profit Margin</i>	(%)	18.2	2.2	16.0	17.7	10.6	7.1

GB Auto's tire revenues in the first half of 2008 were sharply affected by anti-dumping measures imposed on imports of Chinese truck and bus tires in April 2008, which effectively crippled sales of the

Double Coin brand, placing renewed emphasis on sales of passenger car tires under the Turkish Lassa brand.

### CONSTRUCTION EQUIPMENT

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

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
<b>Total Sales Revenue</b>	(LE million)	13.9	1.6	768.8	33.2	2.9	1,044.8
<b>Total Gross Profit</b>	(LE million)	2.2	0.3	633.3	4.8	0.6	700.0
<i>Gross Profit Margin</i>	(%)	15.8	18.8	-3.0	14.5	20.7	-6.2

Egypt's fast-growing construction industry and aggressive action by LOB management helped the construction equipment line of business record significant revenue growth in the first half of 2008. Sales were also spurred by an improvement in after-sales facilities for construction equipment in the first half.

Margins dipped due to both product mix and to the rising cost of sourcing from European manufacturers as the euro continues to appreciate on the global currency market.

### TRANSPORTATION SERVICES

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

		2Q2008	2Q2007	% Change	1H2008	1H2007	% Change
<b>Total Sales Revenue</b>	(LE million)	12.2	7.7	58.4	21.8	13.1	66.0
<b>Total Gross Profit</b>	(LE million)	-1.0	-3.0	—	-5.6	-3.9	—
<i>Gross Profit Margin</i>	(%)	-8.2	-39.0	—	-25.7	-30.0	—

The cargo segment has moved away from ad-hoc contracts to a new business model of providing truck rentals on a fixed-price contract basis, helping it return a gross profit and operating profit in the month of June 2008. This business model will remain the segment's focus going forward.

Bus passenger transportation remains a challenge because of state-regulated ticket pricing, particularly on shorter routes. A 25% increase in ticket prices authorized by the government in 1H2008 was not sufficient to bring this segment into profitability.

### MISCELLANEOUS

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



		<b>2Q2008</b>	<b>2Q2007</b>	<i>% Change</i>	<b>1H2008</b>	<b>1H2007</b>	<i>% Change</i>
<b>Total Sales</b>	(LE million)	9.1	4.5	102.2	11.8	5.6	110.7
<b>Revenue</b>							
<b>Total Gross Profit</b>	(LE million)	-0.7	1.2	—	-0.7	0.9	—
<i>Gross Profit Margin</i>	(%)	-7.7	20.0	—	-5.9	21.3	—

## FINANCIAL POSITION

Total assets as of the end of 1H2008 closed up 6.8% at LE 2.6 billion on the back of an increase in inventories ahead of the high season as well as investments in the new bus factory and vehicle purchases by the group's transport division. Liabilities dropped 4.1% to LE 1.5 billion, largely due to a reduction in term debt and notes payable. Net debt was reduced by 7.2% to LE 604.0 million, while the debt-to-equity ratio improved to 0.57 from 0.78.

## LATEST CORPORATE DEVELOPMENTS

In late June 2008, GB Auto entered an agreement to establish a bus body assembly facility in Suez, Egypt, with Marcopolo S.A., a leading global bus-body manufacturer headquartered in Brazil. The new venture will operate through GB Buses S.A.E., a subsidiary of GB Auto that will be 51% owned by GB Auto and 49% owned by Marcopolo. The project is expected to cost US\$ 70 million including initial working capital requirements, and the first new-model bus bodies are expected to roll off the new assembly line in the second half of 2009. The facility will target an initial capacity of 1,500 units in its first year of operations and could expand to 8,000 units by 2014.

In June 2008, GB Auto acquired a financial leasing company to operate as GB Lease S.A.E. The company provides leasing facilities to the group's commercial vehicle and passenger car fleet customers. The initial capital of the company is LE 20 million, which the group plans to increase to LE 50 million in due course.

## OUTLOOK

### External / Foreign

Egypt's economy continues to grow at a rate in excess of 7% for the fifth uninterrupted year, and the Egyptian market has so far been largely unaffected by slowdowns in other economies, the global credit crisis and other external events and factors. Investments in Egypt continue to attract project financing, inflows of foreign direct investment (largely from the Gulf Cooperation Council countries) remain at or near record levels, and export receipts continue to grow.

Although it is set in the context of sharp and sustained growth well above the average for both developing and developed nations, Egypt's inflation rate bears watching. The incomes of GB Auto's broad base of customers continue to grow at a rate faster than inflation. Management is also following the market's ability to continue absorbing increases in commodity prices. The rising price of steel has had an effect on margins in GB Auto's commercial vehicle line of business, while fuel and energy costs are rising in Egypt and abroad.

Like all companies that import components or inventory, GB Auto will remain exposed to fluctuations in the value of core currencies including the US dollar, the euro and the yen. Finally, GB Auto notes that demand for some Hyundai passenger cars and specific Mitsubishi commercial vehicles is currently growing faster than supplies are growing. GB Auto expects new capacity to come online from Hyundai early in 2009.

### Internal / Domestic

In Egypt, GB Auto sees significant opportunities for sales growth in core lines of business including passenger cars, commercial vehicles, and motorcycles and three-wheelers as a result of legislation passed in June 2008. As noted in the CEO'S Message (above), the phasing in over three years of a 20-year age limit for taxis presents an enormous market opportunity. GB Auto expects passenger car CKD capacity to grow to as much as 85,000 units per year when our new paint shop starts operations in early 2009.

A ban on drawbar trailers to be phased in over four years will create a similarly large market opportunity for the commercial vehicle line of business, with an opportunity to capture new market share. In the motorcycle and three-wheeler segment, explicit legislative approval for the licensing of three-wheelers (tuk-tuks) will directly benefit GB Auto, which is the clear leader in the segment with an ongoing first-to-market advantage.

Additional export revenue should come on stream with the company's new joint-venture bus plant with Marcopolo S.A., with the facility set to come into service in the second half of 2009.

## FINANCIAL STATEMENTS

### INCOME STATEMENT

	Three Months Ended June 30			Six Months Ended June 30			
	(LE Million)	2008	2007	% Change	2008	2007	% Change
<b>Revenues</b>		1,519.8	1,126.4	34.9	2,623.7	1,973.5	32.9
COGS		1,259.1	973.8	29.3	2,170.9	1,688.8	28.6
<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
SG&A		-66.2	-35.1	88.6	-130.7	-70.0	86.7
Other Operating Income (Expenses)		8.9	6.7	32.8	16.5	9.2	79.3
<b>Operating Profit</b>		<b>203.4</b>	<b>124.2</b>	<b>64.0</b>	<b>338.6</b>	<b>223.9</b>	<b>51.2</b>
<i>Operating Profit Margin (%)</i>		13.4	11.0	2.4	12.9	11.3	1.6
Net Provisions		-0.7	4.7	—	-1.4	-0.8	—
<b>EBIT</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>
<i>EBIT Margin (%)</i>		13.3	11.4	1.9	12.9	11.3	1.6
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 profit Before minority interest</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>
<i>Net profit Margin%</i>		9.6	8.7	1.1	9.1	7.4	1.7
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

## BALANCE SHEET

	(LE Million)	30 June 2008	31 Dec 2007	% Change
Cash		244.0	266.5	
Net Accounts Receivable		285.2	583.3	
Inventory		949.4	613.3	
Other Current Assets		264.5	226.0	
<b>Total Current Assets</b>		<b>1743.1</b>	<b>1689.1</b>	<b>3.2</b>
Net Fixed Assets		548.8	475.8	
Goodwill and Intangible Assets		190.0	187.6	
Other Long-term Assets		109.5	72.9	
<b>Total Long-term Assets</b>		<b>848.3</b>	<b>736.3</b>	<b>15.2</b>
<b>Total Assets</b>		<b>2591.4</b>	<b>2425.4</b>	<b>6.8</b>
Short-Term Notes and Debt		693.0	665.7	
Accounts Payable		511.3	496.8	
Other Current Liabilities		108.6	162.4	
<b>Total Current Liabilities</b>		<b>1312.9</b>	<b>1324.9</b>	<b>-0.1</b>
Long-Term Notes and Debt		155.0	251.5	
Other Long-Term Liabilities		56.1	12.6	
<b>Total Long-Term Liabilities</b>		<b>211.1</b>	<b>264.1</b>	<b>-20.1</b>
<b>Total Liabilities</b>		<b>1524.0</b>	<b>1589.3</b>	<b>-4.1</b>
Minority Interest		5.6	6.1	
Common Stock		129.0	129.0	
Shares held with the Group		(3.3)	(3.3)	
Legal Reserve		116.4	44.2	
Other Reserves		1018.2	1088.1	
Retained Earnings (Losses)		(198.5)	(428.0)	
<b>Total Shareholder's Equity</b>		<b>1061.8</b>	<b>830.0</b>	<b>27.9</b>
<b>Total Liabilities and Shareholder's Equity</b>		<b>2591.4</b>	<b>2425.4</b>	<b>6.8</b>

**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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**Forward-Looking Statements**

This document may contain certain "forward-looking statements" relating to the Company's business. These may be identified in part through the use of forward-looking terminology such as "will," "planned," "expectations" and "forecast" as well as similar explanations or qualifiers and by discussions of strategy, plans or intentions. These statements may include descriptions of investments planned or currently under consideration or development by the Company and the anticipated impact of these investments. Any such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.