



GB Auto Posts 72% Rise in Net Income in 9M2008

The leading automotive assembler and distributor in the MENA region saw revenues surge 30.9% to LE 4,300.9 million in the first nine months of 2008

12 November 2008, (Cairo, Egypt) GB Auto (AUTO.CA on the Egyptian Stock Exchange) announced today its consolidated results for the first nine months of 2008, reporting net income of LE 417.1 million (including LE 180.0 million in 3Q2008), an increase of 72.1% over the first three quarters 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 30.9% to LE 4,300.9 million for the first three quarters of the year and cementing its position as the leading automotive assembler and distributor in the Middle East and North Africa.

Highlights

Third Quarter 2008

- **GB Auto revenue** reached LE 1,677.2 million in 3Q2008, a 27.8% increase over 3Q2007.
- **Consolidated gross profit** stood at LE 308.7 million in 3Q2008, representing a 72.2% increase over 3Q2007 and boosting margins to 18.4%, an improvement of 4.7 percentage points over 3Q2007.
- **Net income** totaled LE 180.0 million, an increase of 87.7% over 3Q2007. Net profit margin for the quarter registered at 10.7%, a 3.4 point improvement over the third quarter of 2007.

Passenger car revenue rose 25.4% to LE 1,122.7 million, driven by 23.7% growth in volumes and 12.1% growth in after-sales revenue. Passenger car gross profits are up 93.6% to LE 205.1 million.

Commercial vehicle revenue climbed 54.8% to LE 241.7 million, driven by a 30.9% rise in volumes. Commercial vehicle gross profits rose 22.7% to LE 47.0 million.

Motorcycles and Three-Wheeler revenue rose 16.8% to LE 188.5 million, driven by 17.7% growth in volumes on the back of legislative changes that allow the licensing of tuk-tuks. This line of business's gross profits rose 72.8% to LE 45.8 million, while margins improved 7.9 points to 24.3%.

9 Months 2008

- **GB Auto revenue** reached LE 4,300.9 million in 9M2008, a 30.9% increase over 9M2007.
- **Consolidated gross profit** stood at LE 761.4 million in 9M2008, representing a 64.1% rise over 9M2007. Gross profit margin improved 3.6 percentage points to 17.7%.
- **Net income** totaled LE 417.1 million in 9M2008, an increase of 72.0% over 9M2007. Net profit margin improved 2.3 percentage points to 9.7%.

Passenger car revenue increased 32.3% over 9M2007 to LE 2,997.8 million, driven by 28.3% growth in volumes and 22.3% growth in after-sales revenue. Passenger car gross profits are up 92.9% to LE 493.8 million.

Commercial vehicle revenue rose 57.7% to LE 593.2 million. Commercial vehicle gross profits rose 36.7% to LE 112.5 million.

Motorcycles and Three-Wheelers revenue fell 1.3% to LE 383.6 million, driven by a 12.4% drop in unit sales of three-wheelers, largely in the first half. Motorcycle and three-wheeler gross profits grew 29.7% to LE 79.5 million, while margins improved 4.9 percentage points to 20.7%.

Message from the CEO

I am pleased to report that GB Auto has posted robust growth figures for 3Q2008 across all key metrics. Our strong bottom-line performance in the nine months to 30 September 2008 was supported by 28.3% unit growth in passenger car sales and 66.9% unit growth in commercial vehicle sales, as well as a sharp 17.7% rise in unit sales in our motorcycle and three-wheeler line of business in 3Q2008.

Nine months into 2008, we remain the clear leaders in the Egyptian automotive field with a market share more than double our nearest competitors in passenger cars, buses and three-wheelers; the most diverse mix of products in the sector; and six consecutive quarters of double-digit revenue and profit growth that have been limited in the last few months largely by the constraints imposed by some of our suppliers.

Heading into the fourth quarter, it is increasingly clear that the global financial crisis will cause Egypt's economic growth to slow. Although the country's macroeconomic fundamentals remain very strong, Egypt will feel the impact of a global economic slowdown that the International Monetary Fund (IMF) forecasts will see developed economies stagnate in 2009. Egypt's economy grew 7.2% in 2007-08, a figure that could taper off to 6% in 2009, according to the latest estimate from the Ministry of Finance and Insurance.

That slowdown in economic growth is likely to translate into rising cost-consciousness among consumers, leading the market to demand more competitive pricing. Signs of cooling growth are now appearing in our industry: After surging ahead at an average rate of 33.7% in the first seven months of the year, automotive sales in Egypt grew 7% industry-wide in August 2008 and contracted 2% in September, according to figures from the Egyptian Automotive Marketing Information Council, an industry association.

While we do not typically provide earnings or sales guidance, we think it pertinent to note that GB Auto's fourth-quarter results are likely to show growth in the low-to-mid single digits as we prepare ourselves for what could be volatile market conditions in 2009. This positioning includes reducing our inventory levels and working closely with our key suppliers as we take the lead in a more competitive marketplace.

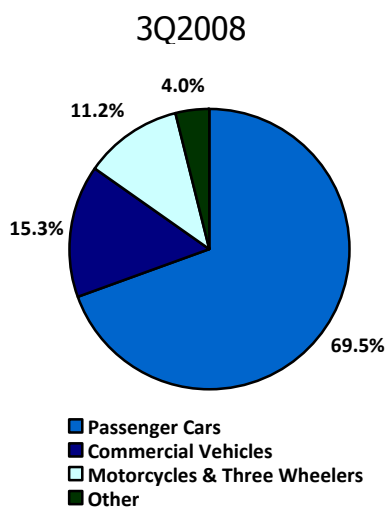
Indeed, GB Auto aims to capture new market share in 2009, a strategy that should allow us to continue growing in a lower-volume market while positioning the company to benefit from the expected acceleration of economic growth toward the end of the decade. This strategy will be supported by both the easing of supply constraints and by GB Auto's strong product mix, which will allow cost-conscious consumers to choose between a number of attractively-priced options.

Meanwhile, inflation is cooling; exports are competitively priced; the banking sector is robust and has ample liquidity; and asset prices are now very attractive. As Egyptian Exchange Chairman Maged Shawky recently noted, Egypt is high on the short list of emerging markets expected to help fuel the global economy through the end of the decade.

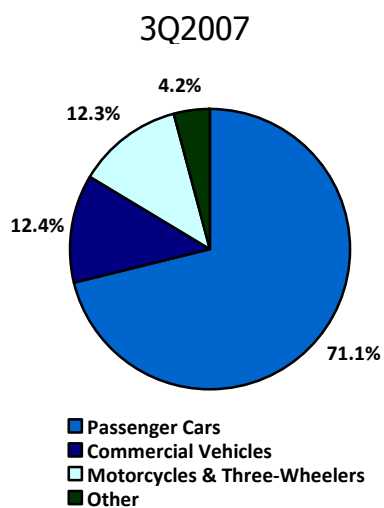
Against this backdrop, GB Auto remains open to appropriate acquisitions that would fundamentally strengthen our position in the region. While conscious of the need to avoid unnecessary spending in the months ahead, we are resolute in our belief that GB Auto has the vision, the management and the capital required to maintain its position as a regional champion. To that end, we remain watchful for unique opportunities that may present themselves in the context of an economic slowdown.

Dr. Raouf Ghabbour, CEO

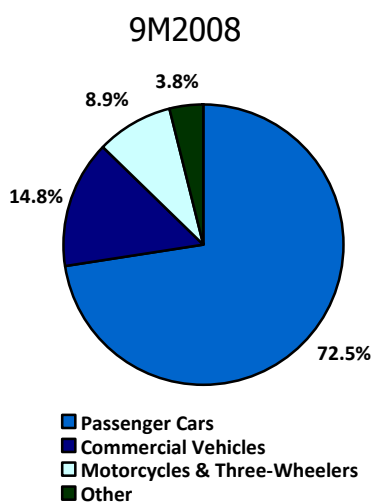
REVENUES FOR 3Q2008 AND 9M2008 ARE SPLIT AS FOLLOWS



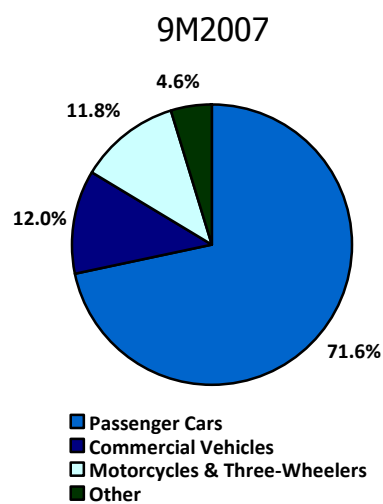
LE 1.7 billion



LE 1.3 billion



LE 4.3 billion

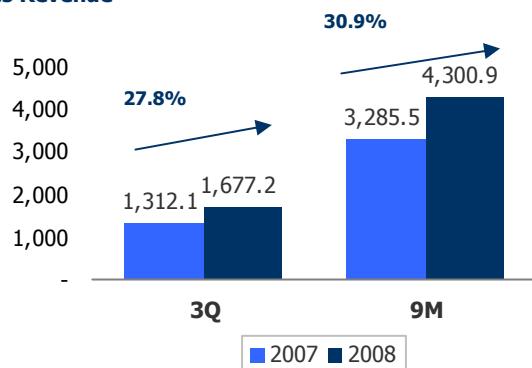


LE 3.3 billion

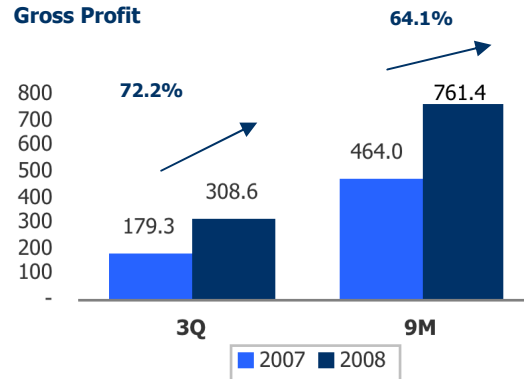
CONSOLIDATED GROUP PERFORMANCE

All figures in LE Million

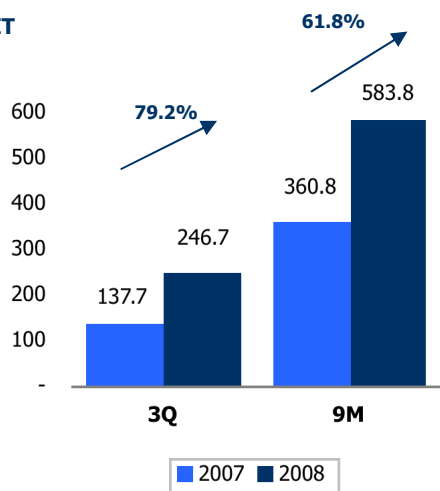
Sales Revenue



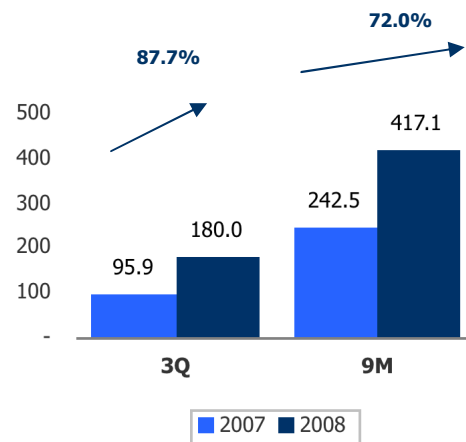
Gross Profit



EBIT



Net Income



SELLING & GENERAL ADMINISTRATION

GB Auto continues to view SGA expenditures as investments positioning the company for long-term, sustainable growth. That said, we expect increases in SGA to be less marked in the new year. Management is keeping a close eye on sales and marketing costs given the likely slowdown in growth. GB Auto's employment costs have grown in the past 21 months as the company has added new staff in a high-growth period as well as because of salary inflation in the marketplace, although cooling inflation and the simultaneous slowdown of important GCC economies could ease pressure on wages. 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 and believes employing top-caliber staff will be vital as the firm works to acquire new market share in a lower-volume market.

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 26.2% in 9M2008 with total sales of 162,552 units, according to figures from the Egyptian Automotive Marketing Information Council, an industry group. GB Auto's unit sales in the same period grew 28.3% to 44,198 units (of which 51.4% were CBU and 48.5% CKD). Among the factors propelling growth were strong increases in the sale of Verna (CKD) and Verna Viva (CBU) models in 3Q2008.

Market-wide, sales growth in the first nine months was particularly strong for brands in the smaller-engine-size. While the market grew just 13.6% in 3Q2008, GB Auto's passenger car line of business surged 23.7% in the same quarter. The company's market share climbed to 31.1% in 3Q2008, four points higher than the company's typical average and an improvement on the 28.5% share in the same quarter last year. GB Auto remains the clear market leader, with a market share more than double its nearest competitor.

		3Q2008	3Q2007	<i>% Change</i>	9M2008	9M2007	<i>% Change</i>
CBU Sales Volume	(Units)	8,603	8,301	3.6	25,732	19,129	34.5
CKD Sales Volume	(Units)	8,128	5,221	55.7	18,466	15,321	20.5
Total Sales Volume	(Units)	16,731	13,522	23.7	44,198	34,450	28.3
<i>Total Market</i>	(Units)	<i>53,882</i>	<i>47,452</i>	<i>13.6</i>	<i>162,552</i>	<i>128,762</i>	<i>26.2</i>
<i>GB Auto Market Share</i>	(%)	<i>31.1</i>	<i>28.5</i>	<i>2.6</i>	<i>27.2</i>	<i>26.8</i>	<i>0.4</i>
Sales Revenue	(LE million)	1,122.7	895.0	25.4	2,997.8	2,265.3	32.3
Gross Profit	(LE million)	186.1	89.1	108.9	493.8	256.0	92.9
<i>Gross Profit Margin</i>	(%)	<i>16.6</i>	<i>10.0</i>	<i>6.6</i>	<i>16.5</i>	<i>11.3</i>	<i>5.2</i>
After-Sales Revenue	(LE million)	43.7	39.0	12.1	119.4	97.6	22.3
After-Sales Gross Profit	(LE million)	19.0	16.9	12.4	52.1	43.9	18.7
<i>Gross Profit Margin</i>	(%)	<i>43.5</i>	<i>43.3</i>	<i>0.2</i>	<i>43.6</i>	<i>45.0</i>	<i>-1.4</i>
Total PC Sales Revenue	(LE million)	1,166.4	934.0	24.9	3,117.2	2,362.9	31.9
Total PC Gross Profit	(LE million)	205.1	106.0	93.6	545.9	299.9	82.0
<i>Gross Profit Margin</i>	(%)	<i>17.6</i>	<i>11.4</i>	<i>6.2</i>	<i>17.5</i>	<i>12.7</i>	<i>4.8</i>

Passenger car LOB revenues for 9M2008 stood at LE 2,997.8 million, up 32.3% from the same period the previous year. Gross profit climbed 92.9% to LE 493.8 million in 9M2008, while gross margin improved 5.2 percentage points to 16.5%.

Heading into 3Q2008, management foresaw supply constraints on CBU models from Hyundai Motors as a potential brake on growth, a factor noted in our last earnings newsletter. The increased availability of CKD kits and a consistently targeted marketing campaign allowed us to shift sales toward CKD units, where sales grew 55.7% in 3Q2008 compared with the same quarter last year. By comparison, supply constraints at Hyundai Motors saw CBU sales grow just 3.6% year-on-year in the third quarter. This represents a significant lost opportunity when considering that only 8,603 CBU units sold in 3Q2008 compared with

10,860 units the previous quarter. Both quarters are generally considered "high season" for automotive purchases in Egypt. The company estimates volumes year-to-date would have been at least 10% higher had supply constraints not come at the height of the selling season.

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 nine months of 2008, with both revenues and gross profits up as truck and trailer sales grew strongly. Commercial vehicle LOB revenues for 9M2008 stood at LE 593.2 million, up 57.7% from the same period last year. Gross profit climbed 36.7% to LE 112.5 million in 9M2008, while gross margin dipped by 2.9 points to 19.0% as a result of changing product mix, increasing steel prices and the rising value of both the euro and the yen.

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Buses Sales Volume	(Units)	474	514	-7.8	1,174	1,033	13.6
GB Auto Market Share	(%)	42.1	29.3		38.5	32.4	
Trucks Sales Volume	(Units)	286	158	81.0	1,020	467	118.4
GB Auto Market Share	(%)	18.4	5.8		16.0	9.7	
Trailer Sales Volume	(Units)	194	60	223.3	499	139	259.0
Superstructures Sales Volume	(Units)	118	87	35.6	406	218	86.2
Total Sales Volume	(Units)	1,072	819	30.9	3,099	1,857	66.9
Sales Revenue	(LE million)	241.7	156.1	54.8	593.2	376.2	57.7
Gross Profit	(LE million)	47.0	38.3	22.7	112.5	82.3	36.7
Gross Profit Margin	(%)	19.5	24.5	-5.0	19.0	21.9	-2.9
After-Sales Revenue	(LE million)	15.0	6.8	120.6	42.8	19.0	125.3
After-Sales Gross Profit	(LE million)	4.6	3.6	27.8	13.3	8.3	60.2
Gross Profit Margin	(%)	30.7	52.9	-22.2	31.1	43.7	-12.6
Total CV Sales Revenue	(LE million)	256.7	162.9	57.6	636.0	395.2	60.9
Total CV Gross Profit	(LE million)	51.6	41.9	23.2	125.8	90.6	38.9
Gross Profit Margin	(%)	20.1	25.7	-5.6	19.8	22.9	-3.1

Truck unit sales were up 81.0% in 3Q2008 over the same quarter the previous year (and climbed 118.4% in the first nine months), while bus sales dropped slightly by 7.8% in the quarter, but remain up 13.6% for the nine months. Sales of trailers continued to benefit from rising capacity and new demand, growing 259.0% in 9M2008 compared with the same nine months last year. Superstructure sales rose 86.2% in the first nine months of 2008 compared to the same period last year.

A strong order book will see growth continue through the final quarter of the year and we see commercial vehicles proving more resilient to market pressure than our passenger cars line of business in the first months of 2009. Demand for light-medium and heavy trucks was particularly high in 9M2008, a trend likely to continue through year's end barring new external shocks, while growth in trailer sales is also likely to remain steady. Supply constraints from both Mitsubishi and Volvo are no longer factors in this line of business.

That said, sales across this line of business will trend along with broader corporate spending as well as growth of the tourism sector, for which no consensus forecast has yet emerged. In tourism, the deciding factor is unlikely to be Egypt's strong cost-competitiveness for European travelers (the country's primary market), but whether Europeans have disposable income available for travel.

Meanwhile, economists are projecting up to 10% reduction in demand for goods transport and a significant slowdown of private-sector construction programs, although demand for public transport could remain steady as cost-consciousness among consumers rises.

We note that while demand may continue to grow into 2009 (particularly for cost-efficient, light-medium trucks), the availability of credit remains an open question. While Egyptian banks have ample liquidity by global standards, utilization rates are comparatively low and anecdotal evidence suggests bankers are exercising additional caution in anticipation of economic growth slowing down.

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.

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Two-wheeler Sales Volume	(Units)	1,508	894	68.7	5,685	2,327	144.3
Three-wheeler Sales Volume	(Units)	12,946	11,388	13.7	24,568	28,031	-12.4
Total Revenue	(LE million)	188.5	161.4	16.8	383.6	388.5	-1.3
Total Gross Profit	(LE million)	45.8	26.5	72.8	79.5	61.3	29.7
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>24.3</i>	<i>16.4</i>	<i>7.9</i>	<i>20.7</i>	<i>15.8</i>	<i>4.9</i>

Motorcycle and three-wheeler LOB revenues for 9M2008 stood at LE 383.6 million, down 1.3% from the same period last year. This represents a continued improvement over the 14% dip in revenues year-on-year recorded in 1H2008 and is largely due to the recovery of the three-wheeler segment. After falling in the first half by 3.2%, gross profit for the line of business grew 29.7% to LE 79.5 million in the first nine months compared with 9M2007. Gross margin improved by 4.9 points to 20.7% for the first nine months (24.3% for the quarter) on the strength of tuk-tuk sales, improved product mix and currency benefits.

Tuk-tuk sales had fallen in 1H2008 as a result of customers' inability to register and obtain licenses for these vehicles. Parliament passed legislation in June 2008 providing for the vehicles' registration and licensing as motorcycles, and GB Auto retains an unbroken first-to-market advantage in the segment. More than half of all three-wheelers the company has sold in 2008 were sold in 3Q2008 following news that licensing would be permitted, underscoring the potential in this category, which is currently moving more than 4,000 units per month.

Across the motorcycle and three-wheeler line of business, GB Auto has a strong name in the marketplace that drives both sales and after-sales revenues. Although its contribution to revenues is currently small, after-sales service continues to post strong growth figures; 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.

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Total Sales Revenue	(LE million)	27.8	27.5	1.1	59.5	86.4	-31.1
Total Gross Profit	(LE million)	3.7	4.0	-7.5	9.3	10.3	-9.7
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>13.3</i>	<i>14.6</i>	<i>-1.3</i>	<i>15.6</i>	<i>12.0</i>	<i>3.6</i>

We are pleased to note that our tires line of business began to recover in 3Q2008 after slumping in the second quarter due to anti-dumping measures imposed on imports of Chinese truck and bus tires in April 2008. These measures effectively crippled sales of the Double Coin brand, placing renewed emphasis on sales of passenger car tires under the Turkish Lassa brand.

Strong management of the Lassa brand saw the company sell as many tires in 3Q2008 of the Lassa brand than the total of both brands in 3Q2007. Lassa tires are selling briskly in the market and the supply stream from Turkey has improved. We expect supply levels to remain dependable.

The firm remains committed to securing a strong replacement partnership for the lost Double Coin business.

CONSTRUCTION EQUIPMENT

GB Auto distributes Volvo and Ingersol Rand construction equipment and Linde materials handling equipment.

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Total Sales Revenue	(LE million)	8.9	8.2	8.5	42.1	11.1	279.3
Total Gross Profit	(LE million)	1.4	1.2	16.7	6.3	1.8	250.0
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>15.7</i>	<i>14.6</i>	<i>1.1</i>	<i>15.0</i>	<i>16.2</i>	<i>-0.8</i>

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 nine months of 2008. Sales were also spurred by an improvement in after-sales facilities for construction equipment in 9M2008.

Margins dipped due to both product mix and to the rising cost of sourcing from European manufacturers as the euro continued to appreciate on the global currency market, a pressure that is now easing somewhat. Good demand, a longer order cycle than for passenger vehicles and a strong order book will support growth in this line of business heading into the fourth quarter. Additionally, GB Auto has added representation of Ingersol Rand to its product portfolio.

Performance in the new year will be impacted by trends in the construction and real estate industries. Egypt's real estate sector is not as debt-dependent as Western markets and has escaped the global credit crunch and Gulf housing bubble unscathed. That said, economists are forecasting flat demand in infrastructure projects through the third quarter of 2009 and only a slight uptick in demand thereafter.

TRANSPORTATION SERVICES

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

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Total Sales Revenue	(LE million)	17.9	9.8	82.6	39.6	27.8	42.4
Total Gross Profit	(LE million)	0.2	-1.5	—	-5.4	-2.5	-116.0
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>1.1</i>	<i>-15.3</i>	<i>16.4</i>	<i>-13.6</i>	<i>-9.1</i>	<i>-4.5</i>

The cargo segment of this line of business has successfully moved from ad-hoc contracts to a business model of providing truck rentals on a fixed-price contract basis, helping it return a gross profit and operating profit in 3Q2008. This business model will remain the segment's focus going forward, although that is very much dependent on our clients' growth prospects, especially as corporate clients look to make immediate cost savings.

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 insufficient to bring short-run lines to profitability given a 40% rise in fuel prices. Management is instead focused on building margins and capacity utilization on inter-city lines, which hold more potential in light of ongoing state subsidies and price regulations.

Although the outlook for the transportation services line of business remains positive in the long term, management could face challenges heading into 2009: Amid the expected slowdown in economic growth, corporate clients could look to services to make immediate cost savings.

MISCELLANEOUS

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

		3Q2008	3Q2007	% Change	9M2008	9M2007	% Change
Total Sales Revenue	(LE million)	11.1	8.3	33.7	22.9	13.9	64.8
Total Gross Profit	(LE million)	0.8	1.4	-42.9	0.1	2.6	-96.2
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>7.2</i>	<i>16.9</i>	<i>-9.7</i>	<i>0.4</i>	<i>18.7</i>	<i>-18.7</i>

FINANCIAL POSITION

Total assets as of the end of 9M2008 closed up 13.1% at LE 2.7 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 6.4% to LE 1.4 billion, largely due to a reduction in term debt and notes payable. Net debt was reduced by 98.1 million to 499.6 million, while the debt-to-equity ratio improved to 0.40 from 0.72. Once the merger process that was communicated at the time of the IPO is complete, that debt-to-equity ratio drops to 0.28 at the end of September 2008 as the merger reserve can be formally booked. The merger process is currently with the authorities and nearing completion, with a formal decree of approval expected toward the end of November 2008.

LATEST CORPORATE DEVELOPMENTS

We note with pleasure that the expansion of our trailer line is nearing completion, with the expectation that the new capacity will come into service in December as expected upon the installation of production jigs as well as equipment and material racks. Capacity could increase as much as three-fold, and the new line has the capacity to add a second shift to further ramp up production should demand exist.

OUTLOOK

Despite anticipating headwinds from the expected slowdown in economic growth in 4Q2008 and into the new year, GB Auto is maintaining a positive outlook for the medium- and long-terms.

Of particular note is inflation, which fell to an annualized 21.5% in September 2008, down from 23.6% the previous month. As global commodity prices drop, the Ministry of Finance and Insurance is now projecting annualized inflation will slip to 12-13% by year's end. In recent public remarks to investors, Finance and Insurance Minister Youssef Boutros-Ghali said it is possible that figure may drop further in the new year.

A drop in shipping costs in addition to the declining price of steel and other commodities should ultimately help maintain GB Auto's competitive edge and bottom line. Although anecdotal evidence suggests that consumers may expect the wage hikes of the past two years to continue into 2009, businesses seem poised to hold salaries and wages steady as inflation cools and competition for talented staff from the Gulf economies eases. This should further curb inflationary pressure.

That said, we are maintaining a watchful eye on exchange-rate fluctuations, particularly in our core currencies. The US dollar has appreciated in Egypt because of the currency's gains on international markets and rising demand within the country from foreign institutional investors repatriating funds to their home markets to cover redemptions. With Egypt's strong emphasis on export growth and the importance of service exports including tourism, it is possible the Central Bank of Egypt may accept a weaker Egyptian pound at the price of export competitiveness.

Inflationary pressure caused by the acceptance of devaluation would directly impact the price of GB Auto's imports from key suppliers. In that context, we note that GB Auto's current pricing structure is based on prevailing rates. Amid rising cost-consciousness among consumers, we would anticipate working closely with our suppliers to review pricing, and we believe that GB Auto and its suppliers are particularly well-positioned to do so across our lines of business.

Faced with a slowdown in economic growth, it is possible that consumers may defer buying decisions. That said, recently passed legislation banning older cars from being used as taxis, forbidding drawbar trailers and authorizing authorities to begin licensing tuk-tuks should all support demand in the coming three to four years, either by facilitating or directly compelling purchases. GB Auto's passenger car activity may also have an opportunity to capture market share in 2009 by catering to demand from more cost-conscious consumers, particularly as Japanese imports are forecast to become more expensive due to exchange rate differences.

FINANCIAL STATEMENTS

INCOME STATEMENT

(LE Million)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Revenues	1,677.2	1,312.1	27.8	4,300.9	3,285.5	30.9
COGS	-1,368.5	-1,132.8	20.8	-3,539.5	-2,821.5	25.4
Gross Profit	308.7	179.3	72.2	761.4	464.0	64.1
<i>Gross Profit Margin</i>	<i>18.4</i>	<i>13.7</i>	<i>4.7</i>	<i>17.7</i>	<i>14.1</i>	<i>3.6</i>
Selling and Marketing	-36.8	-25.4	44.9	-96.6	-65.0	48.6
Administration Expenses	-35.6	-22.6	57.5	-112.8	-53.0	112.8
Other Operating Income (Expenses)	10.2	5.7	78.9	26.6	14.8	79.7
Operating Profit	246.5	136.9	80.0	578.6	360.8	60.3
<i>Operating Profit Margin (%)</i>	<i>14.7</i>	<i>10.4</i>	<i>4.3</i>	<i>13.5</i>	<i>11.0</i>	<i>2.5</i>
Net Provisions	0.2	0.8	-75.0	5.2	0.0	—
EBIT	246.7	137.7	79.2	583.8	360.8	61.8
<i>EBIT Margin (%)</i>	<i>14.7</i>	<i>10.5</i>	<i>4.2</i>	<i>13.6</i>	<i>11.0</i>	<i>2.6</i>
Net Finance Cost	-37.6	-20.9	79.9	-83.4	-88.5	-5.8
Earnings Before Tax	209.1	116.8	79.0	500.4	272.3	83.8
Income Taxes	-28.7	-20.9	37.3	-82.1	-29.6	177.4
Net Profit Before Minority Interest	180.4	96.0	87.9	418.3	242.7	72.4
Minority Interest	-0.4	-0.1	—	-1.2	-0.2	—
Net Income	180.0	95.9	87.7	417.1	242.5	72.0
<i>Net Profit Margin (%)</i>	<i>10.7</i>	<i>7.3</i>	<i>3.4</i>	<i>9.7</i>	<i>7.4</i>	<i>2.3</i>

BALANCE SHEET

	(LE Million)	30 Sep 2008	31 Dec 2007	% Change
Cash		218.9	266.5	
Net Accounts Receivable		507.1	583.3	
Inventory		797.3	613.3	
Other Current Assets		319.2	211.8	
Total Current Assets		1842.5	1674.9	10.0
Net Fixed Assets		606.0	475.8	
Goodwill and Intangible Assets		189.1	187.6	
Other Long-term Assets		47.9	35.3	
Total Long-term Assets		843.0	698.7	20.9
Total Assets		2685.5	2373.6	13.1
Short-Term Notes and Debt		588.4	652.4	
Accounts Payable		522.1	496.7	
Other Current Liabilities		137.9	162.4	
Total Current Liabilities		1248.4	1311.5	-4.8
Long-Term Notes and Debt		130.1	211.8	
Other Long-Term Liabilities		58.9	13.8	
Total Long-Term Liabilities		189.0	225.6	-16.2
Total Liabilities		1437.4	1537.1	-6.4
Minority Interest		6.0	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		1018.6	1088.5	
Retained Earnings (Losses)		(18.6)	(428.0)	
Total Shareholder's Equity		1242.1	830.4	49.6
Total Liabilities and Shareholder's Equity		2685.5	2373.6	13.1

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 brand and construction equipment under the Volvo, Linde and Ingersol Rand 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)

Investor Relations Contact Information:

Mr. Bassem El-Shawy, Investor Relations Officer

Email: ir@ghabbour.com

Ms. Marian Zakaria, Investor Relations Assistant

Email: ir@ghabbour.com

Tel: +20 (0) 2 3910 0485

Fax: +20 (0) 2 3539 0139

Address: Cairo-Alexandria Desert Road, Km. 28, Industrial Zone, Abou Rawash
P.O. Box 60, Smart Village, Egypt

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.