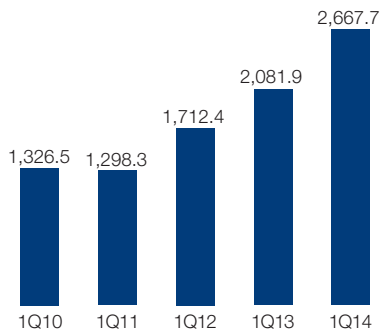
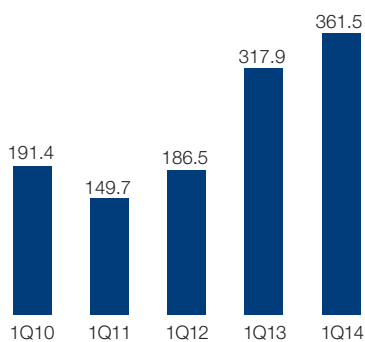


## Key Indicators (all figures in LE million)

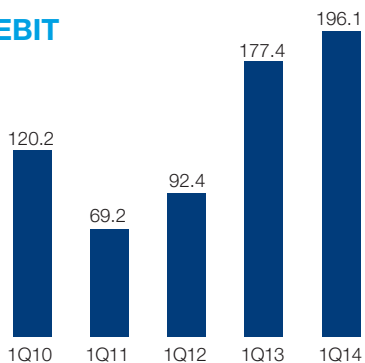
### Revenues



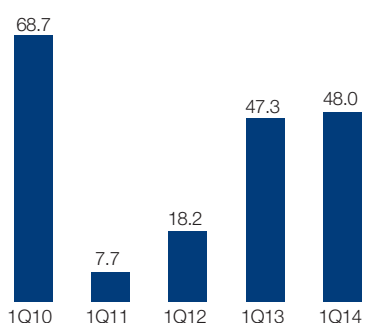
### Gross Profits



### EBIT



### Net Income



# GB Auto Reports 1Q14 Results

*Leading automotive player reports strong start to 2014 with improved top and bottom lines; strong operational results cushion ban on import of motorcycles and three-wheelers*

8 May 2014 — (Cairo, Egypt) — GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive assembler and distributor in the Middle East and North Africa, announced today its consolidated results for 1Q14, reporting revenues of LE 2,667.7 million, up 28.1% year-on-year; net profit margin stood at 1.8% in the quarter.

“Strong growth in key lines of business minimized the impact on our bottom line of a ban in Egypt on new imports of motorcycles and three-wheelers. I am very pleased to report a stable bottom line despite a reduction in higher-margin revenues as a result of the ban,” said GB Auto Chief Executive Officer Dr. Raouf Ghabbour. “Moreover, SG&A spending as a proportion of revenues is down 0.5% compared to the same period of last year, despite heavy investment on this front to support our expansion to new geographies and new lines of business.”

The Passenger Cars division reported a 39.1% increase in revenues to LE 2,021.2 million in 1Q14, as Hyundai, Geely and Mazda all grew sales in the Egyptian market. The division also began booking sales in Libya, the first quarter in which operations there are reflected in the group’s P&L.

As anticipated, the Motorcycles & Three-Wheelers LOB had a challenging quarter, with revenues down 20.4% y-o-y on reduced sales due to the import ban. The Commercial Vehicles & Construction Equipment LOB, meanwhile, grew revenues a strong 56.1% y-o-y to LE 181.4 million while doubling gross profit margin, as it continues on its path to full recovery.

The Tires line of business reported mixed results for 1Q14. In Egypt, market factors including over-supply and lackluster demand led to a 30.9% decrease in sales revenues for the division, while regional sales more than doubled to LE 21.4 million. Overall, the segment reported a 17.7% decrease in revenues to LE 91.6 million in 1Q14, with signs pointing to a potential resumption of growth in 2Q14.

The Financing Businesses report continued growth, with revenues up 44.2%. Management is particularly optimistic about consumer finance arm Drive, which has grown sales six-fold from 1Q13 and anticipates a further boost from GB Auto’s Pre-Owned Vehicles line, which launched late in 1Q14.

GB Auto’s Other lines of business — which includes the new Lubricants, Retail, Pre-Owned Vehicles and Transportation activities — reported revenues of LE 1.4 million in the quarter.

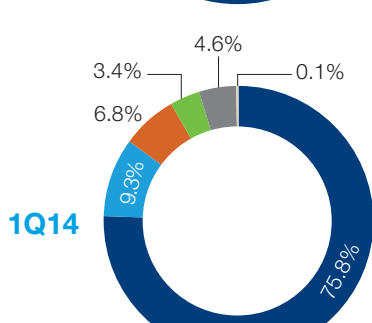
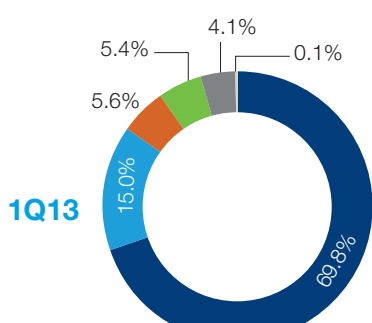
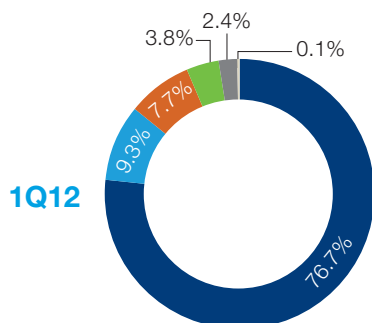
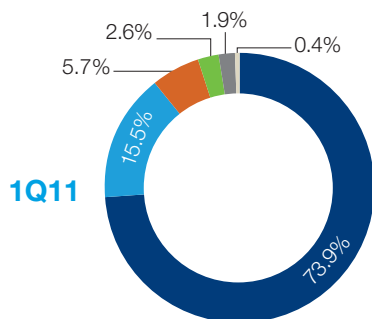
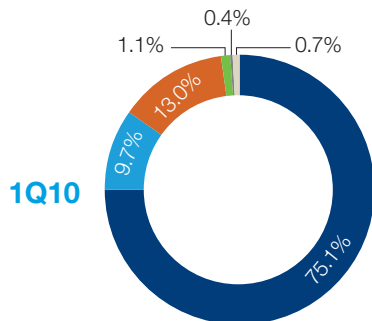
Total SG&A expenses rose 18.5% year-on-year to LE 164.1 million on overhead costs associated with the launch of new businesses, and salary increases implemented to keep pace with inflation. Notably, the 28.1% increase in sales revenues far outpaced SG&A growth in the period, which is down 50 basis points compared to the same period of last year on continued and ongoing efforts at cost control.

Meanwhile, GB Auto is currently exploring options as regards access to finance to support new investments, whether through raising equity, debt or both.

“I’m confident that our 1Q14 performance is going to prove to be sustainable for the remainder of the year,” Ghabbour concluded. “Consumer sentiment is picking up in Egypt, and we will continue to pursue market share in Iraq. We have been saying since 2011 that GB Auto was positioning itself to capitalize on the inevitable market up-turn; that upturn may well now be in the offing.”

Highlights of GB Auto’s 1Q14 results follow, along with management’s analysis of the company’s performance. Complete financials are available for download on [ir.ghabbourauto.com](http://ir.ghabbourauto.com).

## Revenue Contribution by Line of Business



## First Quarter 2014 Highlights

- GB Auto revenue rose 28.1% to LE 2,667.7 million from LE 2,081.9 million in 1Q13.
- Consolidated gross profit was up 13.7% in 1Q14 at LE 361.5 million from LE 317.9 million in 1Q13, while gross profit margin came in at 13.6% in the quarter, down 1.7 percentage points year-on-year.
- EBIT rose 10.5% to LE 196.1 million from LE 177.4 million in 1Q13. EBIT margin dropped 1.1 percentage points to 7.4%.
- Net income rose 1.4% year-on-year to LE 48.0 million in the first quarter, from LE 47.3 million in 1Q13. Net profit margin dropped a fractional half of a percentage point to 1.8%, compared to 2.3% in 1Q13.

**Passenger Cars** revenue rose 39.1% year-on-year from LE 1,453.4 million in 1Q13 to LE 2,021.2 million in the quarter just ended. Gross profit for the line of business rose 15.3% to LE 245.1 million in 1Q14, and gross profit margin dropped 2.5 percentage points to 12.1%.

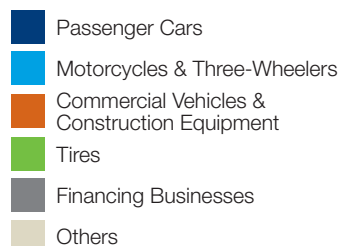
**Motorcycles & Three-Wheelers** revenue dropped 20.4% in 1Q14 compared to the same quarter of last year to LE 249.3 million, with gross profits down 11.1% to LE 47.7 million. Gross profit margin rose 2 percentage points to 19.1% from 17.1% in 1Q13.

**Commercial Vehicles & Construction Equipment** revenue came in at LE 181.4 million, up 56.1% from LE 116.2 million in 1Q13. Gross profit for the line of business was up three-fold at LE 22.8 million, and gross profit margin doubled, reaching 12.6%, its highest level since early 2010.

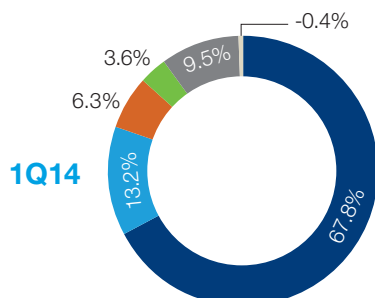
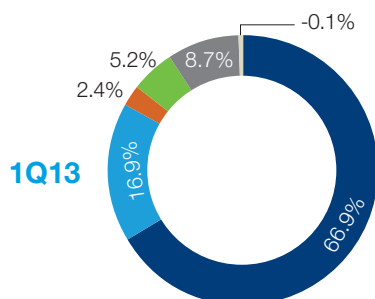
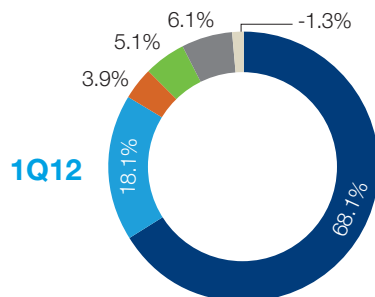
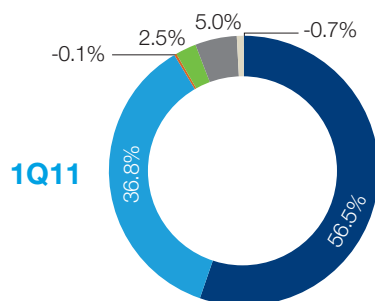
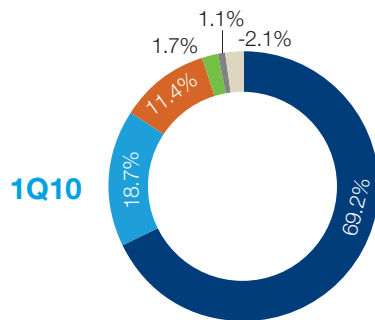
**Tires** revenue dropped 17.7% year-on-year to LE 91.6 million, while gross profits for the division dropped 21.5% to LE 13.1 million in the quarter. Gross margins were down very slightly at 14.3% compared to 15.0% in the same period of last year.

**Financing Businesses** revenue rose 44.2% to LE 122.8 million in 1Q14, with gross profits up 24.7% to LE 34.3 million. Gross profit margin was down 4.4 percentage points to 28.0%.

**Others** revenue reached LE 1.4 million for Pre-Owned Vehicles and legacy fleet transportation contracts, with a negligible gross profit, in line with expectations of a newly-launched business. This line of business encompasses the Pre-Owned Vehicles, Lubricants, Retail and Transportation lines of business; management expects the Lubricants and Retail lines to begin contributing to the top line in the second half of the year.



## Gross Profit Contribution by Line of Business



## Message from the CEO

Our growth in the past three months is a clear signal that our long-term investments in diversification and in our employees (through institutionalization, fair wages and training) are paying clear dividends. With 28.1% year-on-year revenue growth despite substantial lost sales due to the unfortunate ban on the import of motorcycles and three-wheelers in Egypt, the quarter just ended emphatically demonstrates the strength of GB Auto's business model.

By definition, investment is a cost, and that is clear when you look at our P&L for the quarter just ended: SG&A expenses rose 18.5% to LE 164.1 million as we increased wages to keep pace with inflation — and continued investing in our expanding network of territories and brand representations. Notably, this rise was outpaced by our growth in revenues: As a percentage of sales, SG&A spending is down 50 basis points in 1Q14 as compared to the same period last year.

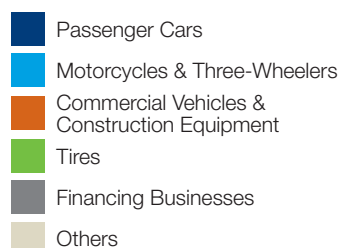
Despite strong revenue and gross profit growth — and successful cost containment — margins are down just slightly year-on-year. The drop in margins is due to a combination of factors, primary among them that 1Q13 was a particularly strong quarter, offering unprecedented margins, notably with a very strong margin contribution from our Iraqi Passenger Car business on a one-off contract. Also influencing the slight drop in margins were lost sales in our high-margin Motorcycles & Three-Wheelers segment.

Looking ahead, the gradual phase-out of fuel subsidies expected to begin later this year will likely prove to be a short-term difficulty for a number of consumers (and automotive distributors), but will ultimately help our business and our country. Consumers will look to replace high-consumption vehicles with smaller, fuel-efficient models, and they will be far more conscious of their consumption. Dare we hope that subsidy removal will even lead to a trend of car pooling and greater reliance on public transport for the daily commute, both of which would see an improvement in Cairo's famously bad traffic?

In Egypt, the only real downside risk that I see in the coming period is the specter of devaluation at some point in the near- to medium-term. The Central Bank of Egypt (CBE) has successfully met its obligations on a number of fronts — including clearance of the backlog of foreign investor funds awaiting repatriation — and FDI is once again finding its way to Egypt. The country is stabilizing, politically and economically, and consumer sentiment is once again on the rise.

Passenger Cars is outperforming, growing unit sales of both Completely Built Up (CBU) and Completely Knocked Down (CKD) units year-on-year, with an emphasis on CKD, in line with market trends. In this respect, our full product lineup of strong CKD offerings ultimately strengthens our ability to sell more CBU units, encouraging customer loyalty.

Of course, the performance of our Motorcycles & Three-Wheelers line of business will be impacted by the ban on imports and any potential devaluation, but as was the case in the first quarter, our other lines of business will successfully pick up the slack. When we are again able to receive shipments of these key units, I have no doubt that sales and margins will recover in lock-step.



“ With 28.1% year-on-year revenue growth despite substantial lost sales due to the unfortunate ban on the import of motorcycles and three-wheelers in Egypt, the quarter just ended emphatically demonstrates the strength of GB Auto’s business model. ”

I’m pleased to say that our Commercial Vehicles & Construction Equipment line of business has come out of a years-long slump and is reporting strong revenue and gross profit growth with very healthy margins. The weakness of the Japanese yen in relation to the US dollar (and Egyptian pound) is a key factor in this, as is the recovery of the overall market, which has seen an 16% increase in bus sales and a 25.4% increase in truck sales in comparison to 1Q13. Infrastructure investments made possible by FDI inflows and grants from the Gulf are boosting demand for commercial vehicles, and we are becoming increasingly busy across all divisions of this LOB. I expect to see this activity continue throughout the year and into 2015, as well.

Boosting our long-term outlook for the CV&CE line of business is the interest that the GB Polo buses have generated from the Gulf and Africa.

Our Financing Businesses, meanwhile, continue to outperform expectations, with all of them having performed admirably in 1Q14. Our outlook here is equally positive.

In Iraq, the first quarter is typically quite slow and the market picks up in the second quarter. This year seems to be more challenging, and with the elections having taken place on the 30th of April, with results to be announced this month, and an uncertain security environment related to that, I am, however, pleased with where our volumes presently stand. As we have previously signaled, we remain willing to sacrifice some margins in order to push more volume in Iraq due to political turmoil and operational challenges.

In our new territories of Algeria and Libya, consumers have expressed interest in Geely vehicles, but sales are growing slowly. In Algeria, we are quite optimistic and are taking a long-view, in which 2H13 and FY14 are focused on establishing ourselves in the passenger car market, a process that will accelerate in fall when we adjust our model lineup to the Algerian market. Furthermore, the Tires line of business is doing quite well here, with all brands being particularly well-received and helping GB Auto gain a foothold in this well-developed market.

In Libya, meanwhile, sales have been acceptable, but the difficulties associated with that country’s fractured political and security environment have prompted us to be very cautious about the roll-out of additional points of presence or investment. I do see great potential in Libya and plan to keep to the status quo for the time being in the hopes that the situation there will normalize in the coming period.

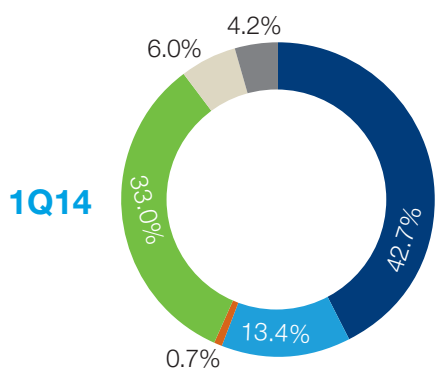
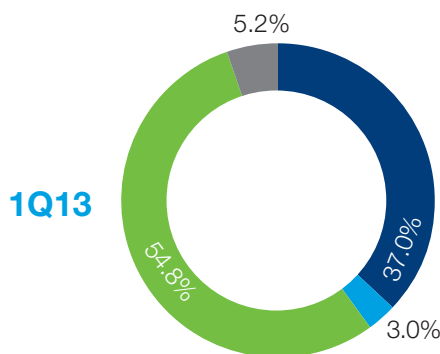
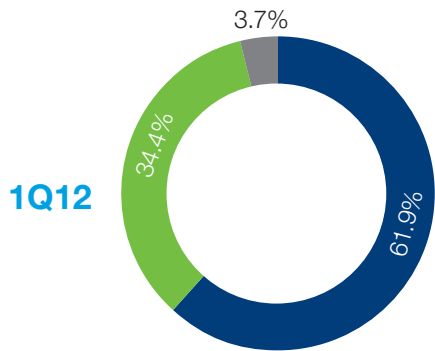
Finally, as we announced in mid-April, we are actively exploring alternatives to access finance to support new investments in Egypt and abroad, either through raising equity, debt or both.

These new investments will be in line with our program of strategic expansion in the region as we seek to maximize returns and mitigate risk by diversifying in terms of both geographical footprint and lines of business.

I look forward to filling you all in on the progress we are making on these exciting new opportunities in the near future.

**Dr. Raouf Ghabbour, CEO**

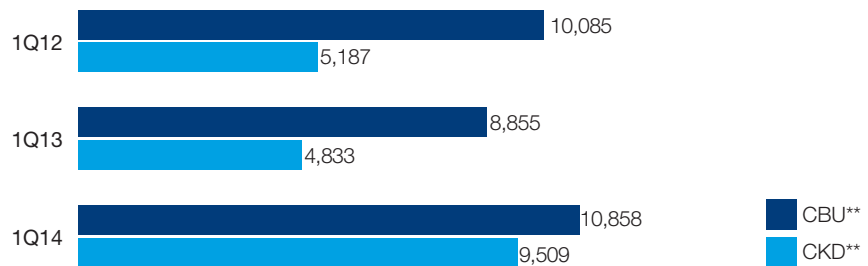
## Passenger Car Revenue Breakdown by Segment



## Passenger Car Line Of Business

GB Auto is a leading passenger car importer, assembler and distributor in the Middle East and North Africa. In Egypt, it is the largest player in the market, as the sole representative of Hyundai, Geely and Mazda passenger cars and owning the biggest nationwide distribution and after-sales service networks of any brand. Regionally, GB Auto distributes Hyundai passenger cars in Iraq and Geely passenger cars in Libya and Algeria. GB Auto serves the Egyptian market with both Completely-Knocked-Down (CKD) and Completely-Built-Up (CBU) products while operating in Iraq, Libya and Algeria with CBU units.

### Breakdown of Units Sold, all brands and markets\*



\*Markets currently include Egypt, Iraq, Libya and Algeria; Iraq, Libya and Algeria are CBU only  
 \*\* CBU refers to Completely -Built-Up units; CKD refers to Completely-Knocked-Down units

### Egypt

- The Egyptian passenger car market continued its recovery in 1Q14, with a 28.9% growth in unit sales compared to 1Q13. As expected, the strongest growth was seen in smaller engine sizes (1.3-1.5L vehicles) and in the more affordable CKD units. Indeed, nearly all of the total market increase is accounted for by sales of CKD vehicles which increased by 78.2% compared to an increase of only 0.6% in CBU.
- This market performance is reflected in GB Auto's Egyptian Passenger Cars results, which also reported an excellent first quarter, with strong sales for all three representations and an overall 30.4% market share for the quarter. Most notably, our sales volumes in March were on par with historical highs last seen prior to the spillover into the local market of the global financial crisis. Management sees this momentum as sustainable, although noting potential downside risk in the event of a substantial devaluation of the Egyptian pound.
- Hyundai saw total sales of both CBU and CKD units rise significantly, with a concomitant rise in revenues for this key division. Hyundai's market share also rose to 20.9% in the quarter against 18.8% in 1Q13. Management believes that the availability of a full product lineup including CBU and, more importantly, CKD ultimately strengthens the company's positioning power for the CBU segment, allowing growth in market share.
- Geely continues to be very warmly received by the market, with sales rising more than five-fold. GB Auto's Geely offering now holds a 9.3% share of the Egyptian passenger car market, accounting for 65.4% of all Chinese models sold in the quarter.
- Management expects to see a continued emphasis on lower-cost models across its brand portfolio in view of prevailing economic conditions and the potential phase-out of subsidies on petroleum products beginning later this year.
- The After-Sales division has improved both in terms of revenues and customer



“ Although still a small percentage of sales at only LE 13.0 million, the Iraqi After-Sales division is nonetheless growing steadily and the company is investing to ensure its continued success. ”

satisfaction, as the GB Academy training programs have improved the soft skills and technical knowledge of our After-Sales employees. Management expects the After-Sales function — which accounted for 5.8% of revenues and 13.8% of gross profit from Egyptian operations in 1Q14 — to continue ramping up its contribution throughout this year and well into 2015 as the investments of recent years in fixed assets and training begin paying off.

#### Iraq

- Political and security tensions saw unit sales and revenues from operations in Iraq drop y-o-y. Margins, however, held steady at a solid 11.9% despite management's willingness to sacrifice margins for market share should this prove necessary in 2014. A factor in the comparative performance was a large one-off, high-margin sale in 1Q13 to a now-former key client. Another factor was a one-off tax refund in 1Q14, without which margins would have fallen to a high single digit.
- On that note, management does expect to see some erosion of margins beginning in the second quarter of this year due to the political and security situation in the country.
- Lower margins will in part be mitigated in the future by a rising contribution from After-Sales in the country. Although still a small percentage of sales at only LE 13.0 million, the division is nonetheless growing steadily and the company is investing to ensure its continued success.

#### Algeria

- GB Auto has begun booking commissions on sales made through our local partner in Algeria, a market we believe is starting to show considerable promise as we capitalize on lessons learned from our initial market entry.
- The company has now gained on-the-ground knowledge of this key market and, going forward, management anticipates sales picking up to a steady pace by the close of the year. In the meantime, this division's focus will be on moving existing inventory to make room for the year-end delivery of a Geely model line up that management is confident is ideally suited to Algerian consumption patterns.

#### Libya

- The company moved a considerable number of vehicles in Libya in the first quarter, but sales in this market continue to be hampered by an uncertain security environment. GB Auto is moving very cautiously as regards the build-up of both operations and inventory.
- Sales at present are thus seeding the market and allowing GB Auto to build country-specific knowledge and best practices to convert into a more aggressive roll-out plan when the political and security situations stabilize.

**Table 1A: Total Passenger Car Sales Activity — All Brands and Markets**

		1Q13	1Q14	% Change 1Q13 v 1Q14
Total Sales Volume	(Units)	13,688	20,367	48.79%
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>1,378.33</b>	<b>1,936.46</b>	<b>40.49%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>185.17</b>	<b>219.07</b>	<b>18.31%</b>
Gross Profit Margin	(%)	13.43%	11.31%	-2.12
<b>After-Sales Revenue</b>	<b>(LE million)</b>	<b>75.06</b>	<b>84.70</b>	<b>12.85%</b>
<b>After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>27.46</b>	<b>26.05</b>	<b>-5.16%</b>
After-Sales Gross Profit Margin	(%)	36.59%	30.75%	-5.84
<b>Total Passenger Car Revenues</b>	<b>(LE million)</b>	<b>1,453.39</b>	<b>2,021.16</b>	<b>39.06%</b>
<b>Total Passenger Car Gross Profit</b>	<b>(LE million)</b>	<b>212.63</b>	<b>245.12</b>	<b>15.28%</b>
<b>Passenger Car Gross Margin</b>	<b>(%)</b>	<b>14.63%</b>	<b>12.13%</b>	<b>-2.50</b>

**Table 1B: Passenger Car Sales Activity – Egypt**

		1Q13	1Q14	% Change 1Q13 v 1Q14
CBU Sales Volume (Hyundai)	(Units)	2,199	3,354	52.52%
CBU Sales Volume (Geely)	(Units)	-	411	-
CBU Sales Volume (Mazda)	(Units)	-	106	-
CKD Sales Volume (Hyundai)	(Units)	4,177	5,910	41.49%
CKD Sales Volume (Geely)	(Units)	656	3,599	-
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>7,032</b>	<b>13,380</b>	<b>90.27%</b>
<b>Total Market*</b>	<b>(Units)</b>	<b>33,355</b>	<b>42,996</b>	<b>28.90%</b>
<b>GB Auto Market Share**</b>	<b>(%)</b>	<b>22.30%</b>	<b>30.40%</b>	<b>8.10</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>581.36</b>	<b>1,147.82</b>	<b>97.44%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>87.87</b>	<b>137.64</b>	<b>56.63%</b>
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>15.12%</i>	<i>11.99%</i>	<i>-3.12</i>
<b>After-Sales Revenue</b>	<b>(LE million)</b>	<b>66.92</b>	<b>70.93</b>	<b>5.98%</b>
<b>After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>23.71</b>	<b>21.97</b>	<b>-7.36%</b>
<i>After-Sales Gross Profit Margin</i>	<i>(%)</i>	<i>35.43%</i>	<i>30.97%</i>	<i>-4.46</i>
<b>Total Egypt Passenger Car Revenues</b>	<b>(LE million)</b>	<b>648.28</b>	<b>1,218.74</b>	<b>88.00%</b>
<b>Total Egypt Passenger Car Gross Profit</b>	<b>(LE million)</b>	<b>111.59</b>	<b>159.60</b>	<b>43.03%</b>
<b>Passenger Car Egypt Gross Margin</b>	<b>(%)</b>	<b>17.21%</b>	<b>13.10%</b>	<b>-4.12</b>

**Table 1C: Hyundai Passenger Car Sales Activity – Iraq**

		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>6,656</b>	<b>5,329</b>	<b>-19.94%</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>796.98</b>	<b>668.03</b>	<b>-16.18%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>97.30</b>	<b>76.65</b>	<b>-21.22%</b>
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>12.21%</i>	<i>11.47%</i>	<i>-0.73</i>
<b>After-Sales Revenue</b>	<b>(LE million)</b>	<b>8.14</b>	<b>13.03</b>	<b>60.17%</b>
<b>After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>3.75</b>	<b>4.55</b>	<b>21.31%</b>
<i>After-Sales Gross Profit Margin</i>	<i>(%)</i>	<i>46.07%</i>	<i>34.89%</i>	<i>-11.18</i>
<b>Total Iraq Passenger Car Revenues</b>	<b>(LE million)</b>	<b>805.11</b>	<b>681.07</b>	<b>-15.41%</b>
<b>Total Iraq Passenger Car Gross Profit</b>	<b>(LE million)</b>	<b>101.05</b>	<b>81.20</b>	<b>-19.64%</b>
<b>Passenger Car Iraq Gross Margin</b>	<b>(%)</b>	<b>12.55%</b>	<b>11.92%</b>	<b>-0.63</b>

**Table 1D: Geely Passenger Car Sales Activity – Libya**

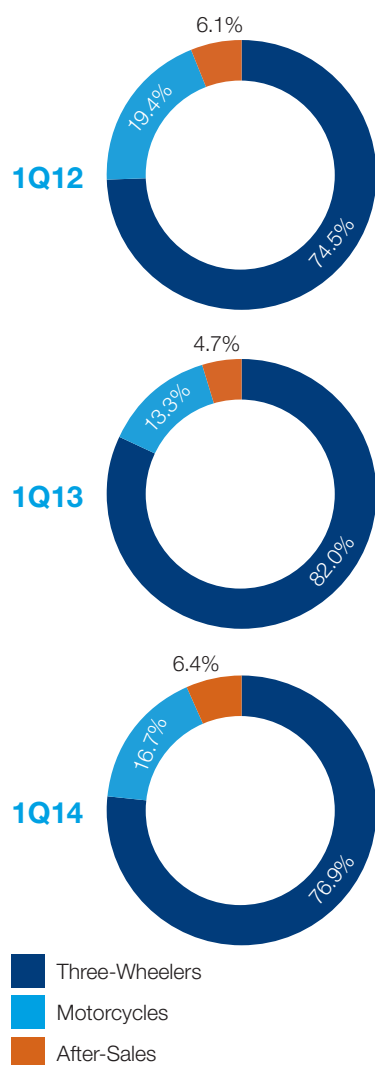
		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Volume</b>	<b>(Units)</b>	-	<b>1,658<sup>§</sup></b>	-
<b>Total Libya Passenger Car Revenues</b>	<b>(LE million)</b>	-	<b>120.61</b>	-
<b>Total Libya Passenger Car Gross Profit</b>	<b>(LE million)</b>	-	<b>4.78</b>	-
<b>Passenger Car Libya Gross Margin</b>	<b>(%)</b>	-	<b>3.97%</b>	-

\* As estimated by the Automotive Marketing Information Council of Egypt (AMIC). Please note that AMIC figures are based on individual companies willingly contributing / reporting their sales and that GB Auto cannot check the full accuracy of these or guarantee that all companies operating in Egypt report to AMIC.

\*\* As estimated by the Automotive Marketing Information Council of Egypt (AMIC).

§ This figure reflects the aggregate sales from the previous quarter.

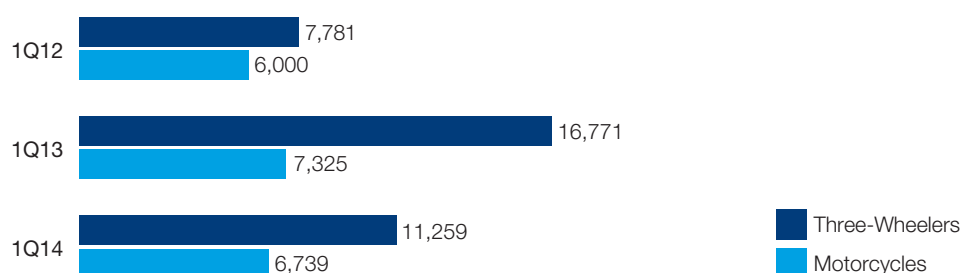
### Motorcycle & Three-Wheeler Revenue Breakdown by Segment



### Motorcycle & Three-Wheeler Line of Business

GB Auto is the Egyptian agent and distributor for Bajaj three-wheelers ("tuk-tuks") and motorcycles.

#### Breakdown of Units Sold



#### Motorcycles & Three-Wheelers

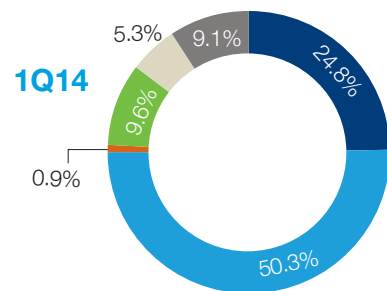
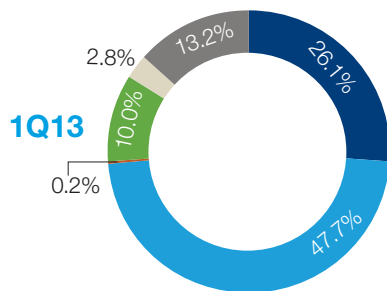
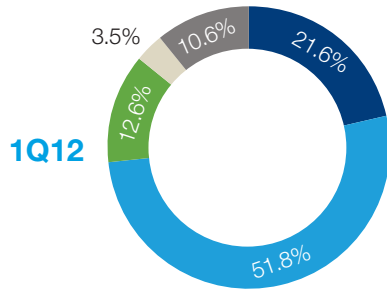
- As anticipated, a ban on the import of motorcycles and three-wheelers into Egypt impacted the performance of this division, although, notably, it did not drag down the performance of GB Auto as a whole.
- Unit sales for this key line of business are down 25.3% year-on-year with revenues off 20.4%. In the event of a continuation of the year-long regulatory ban on the import of three-wheelers and motorcycles, management notes that these drops will be significantly more pronounced in the future.
- While management is not amending its guidance as regards the ban, GB Auto notes local media reports that the Egyptian Presidency has ordered a 30-day grace period in which unlicensed motorcycle and three-wheeler owners may legalize their vehicles before the same are subject to confiscation, which we perceive as a positive sign.

**Table 2: Motorcycle & Three-Wheeler Sales Activity**

		1Q13	1Q14	% Change 1Q13 v 1Q14
Three-Wheeler Sales Volume	(Units)	16,771	11,259	-32.87%
Motorcycle Sales Volume	(Units)	7,325	6,739	-8.00%
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>24,096</b>	<b>17,998</b>	<b>-25.31%</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>298.38</b>	<b>233.32</b>	<b>-21.80%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>50.40</b>	<b>45.29</b>	<b>-10.14%</b>
Gross Profit Margin	(%)	16.89%	19.41%	2.52
<b>After-Sales Revenue</b>	<b>(LE million)</b>	<b>14.69</b>	<b>15.94</b>	<b>8.54%</b>
<b>After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>3.24</b>	<b>2.41</b>	<b>-25.70%</b>
After-Sales Gross Profit Margin	(%)	22.04%	15.09%	-6.95
<b>Total Motorcycle &amp; Three-Wheeler Revenues</b>	<b>(LE million)</b>	<b>313.06</b>	<b>249.26</b>	<b>-20.38%</b>
<b>Total Motorcycle &amp; Three-Wheeler Gross Profit</b>	<b>(LE million)</b>	<b>53.64</b>	<b>47.70</b>	<b>-11.08%</b>
<b>Motorcycle &amp; Three-Wheeler Gross Margin</b>	<b>(%)</b>	<b>17.13%</b>	<b>19.14%</b>	<b>2.00</b>



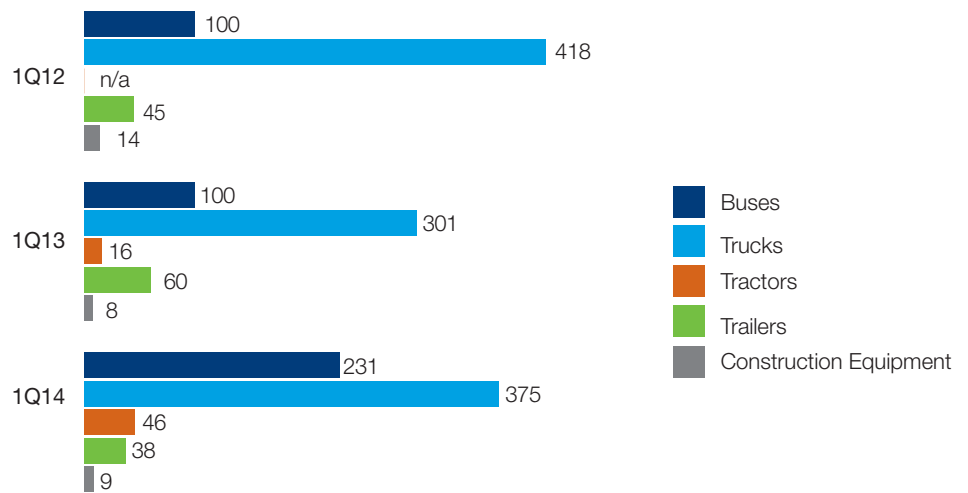
### Commercial Vehicles & Construction Equipment Revenue Breakdown by Segment



### Commercial Vehicles & Construction Equipment Line of Business

The Commercial Vehicles & Construction Equipment line of business offers a wide range of assembled-in-Egypt trucks and locally manufactured buses under exclusive agent and distributorship agreements with Mitsubishi and Volvo. GB Auto manufactures and distributes semi-trailers and superstructures (i.e., oil and chemical tankers as well as concrete mixers). In Egypt, this line of business also distributes earth moving equipment, road machinery and power generators under distribution agreements with Volvo Construction, SDLG and Aksa as well as YTO tractors, produces buses for domestic and export markets through GB Polo (a state-of-the-art facility in partnership with global leader Marcopolo) and sells Great Wall pickup trucks in Libya.

### Breakdown of Units Sold



- Performance overall for the Commercial Vehicles & Construction Equipment (CV&CE) line of business was very positive in 1Q14. The division saw a significant 56.1% year-on-year increase in revenues and a far more impressive 199.5% rise in gross profit. An accompanying 6.0 percentage point margin improvement, bringing GPM to double that of 1Q13, comes on decreased selling costs and the positive impact of the devaluation of the Japanese yen, which coincided with a general improvement in market sentiment.
- As anticipated, financial assistance from Gulf Cooperation Council countries — which is primarily intended for infrastructure projects, including public transportation — is boosting activity in this key sector.
- This is already creating an increase in government spending, as evidenced by an order for 300 city buses from the municipality of Cairo, which the company signed in 1Q14. GB Auto is actively tendering for additional supply contracts for both government entities and private corporations.
- Bus sales volumes more than doubled in the reporting period to 231 units

against 100 units in the same quarter of last year. The export business reports new orders from the United Arab Emirates, Kuwait, Saudi Arabia, and Kenya, among others.

- Tractors are benefitting both from strong demand in the agricultural sector, and also from financing via GB Auto's Mashroey microfinance venture. This is extending much needed credit to an historically under-served segment, with demand set to grow as the agriculture industry undergoes a much-needed modernization.
- Meanwhile, the Construction Equipment division has thrived under its new management with volumes and productivity both up. While unit sales rose only 12.5% y-o-y in 1Q14, revenues and gross profits for this division have both soared, as the new management optimizes product mix and minimizes overheads.
- Looking ahead, management is optimistic that the CV&CE line of business will continue to see significant growth throughout 2014, as government and corporate spending pick up even more, and the changes to structure and management continue to pay off with improved margins.

**Table 3: Commercial Vehicles and Construction Equipment (CV&CE) Sales Activity**

		1Q13	1Q14	% Change 1Q13 v 1Q14
Bus Sales Volume	(Units)	100	231	131.00%
Truck Sales Volume	(Units)	301	375	24.58%
Tractor Sales Volume	(Units)	16	46	187.50%
Trailer Sales Volume	(Units)	60	38	-36.67%
Construction Equipment Sales Volume	(Units)	8	9	12.50%
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>485</b>	<b>699</b>	<b>44.12%</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>100.93</b>	<b>164.95</b>	<b>63.43%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>5.18</b>	<b>19.33</b>	<b>273.04%</b>
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>5.13%</i>	<i>11.72%</i>	<i>6.59</i>
<b>After-Sales Revenue</b>	<b>(LE million)</b>	<b>15.28</b>	<b>16.47</b>	<b>7.75%</b>
<b>After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>2.44</b>	<b>3.51</b>	<b>43.65%</b>
<i>After-Sales Gross Profit Margin</i>	<i>(%)</i>	<i>16.00%</i>	<i>21.32%</i>	<i>5.33</i>
<b>Total Commercial Vehicles &amp; Construction Equipment Revenue</b>	<b>(LE million)</b>	<b>116.21</b>	<b>181.42</b>	<b>56.11%</b>
<b>Total Commercial Vehicles &amp; Construction Equipment Gross Profit</b>	<b>(LE million)</b>	<b>7.63</b>	<b>22.84</b>	<b>199.52%</b>
<b>Commercial Vehicles &amp; Construction Equipment Gross Margin</b>	<b>(%)</b>	<b>6.56%</b>	<b>12.59%</b>	<b>6.03</b>

## Tires Line of Business

GB Auto has agreements with a number of Original Equipment Manufacturers (OEMs) to distribute a wide variety of tires in five countries. In Egypt, the company distributes Lassa, Yokohama, Westlake and Diamond Back tires while it distributes Westlake and Diamond Back tires in Iraq. In Jordan, the company distributes Diamond Back tires; in Libya it distributes Triangle tires; and in Algeria it distributes Lassa, Grandstone and Goodyear tires.

- A market-wide mismatch between supply and demand saw Egyptian revenues in 1Q14 down 30.9% in comparison to 1Q13. Strong sales from regional markets were able to mitigate the drop somewhat, and the Tires division posted only a 17.7% decline in revenues overall.
- Management is confident the Egyptian market has undergone the needed adjustment, and we accordingly expect to see a return to growth for this LOB in 2Q and going forward.
- Notably, the first order of Goodyear tires for Algeria should enter the market in the second quarter, to join GB Auto's well-received Lassa and Grandstone brands.

**Table 4A: Total Tires Sales Activity**

		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>111.29</b>	<b>91.62</b>	<b>-17.67%</b>
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>16.72</b>	<b>13.12</b>	<b>-21.53%</b>
Gross Margin	(%)	15.03%	14.32%	-0.70

**Table 4B: Tires Sales Activity – Egypt**

		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>101.58</b>	<b>70.20</b>	<b>-30.89%</b>
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>16.03</b>	<b>11.17</b>	<b>-30.33%</b>
Gross Margin	(%)	15.79%	15.91%	0.13

**Table 4C: Tires Sales Activity – Regional**

		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>9.71</b>	<b>21.43</b>	<b>120.62%</b>
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>0.69</b>	<b>1.95</b>	<b>182.89%</b>
Gross Margin	(%)	7.11%	9.11%	2.01

## Financing Line of Business

*GB Capital serves as the Group's financial arm, and is responsible for the Financing Businesses line, which consists of four independent companies comprising GB Lease (financial leasing), Mashroey (microfinance), and Drive (consumer finance and factoring) and most recently Haram Tourism Transport (HTT), widely known as Haram Limousine, which is essentially an operational lease company. The Financing Business line is growing steadily and is strictly governed by robust credit policies specifically developed for each industry. The companies' credit approval and disbursement mechanisms are well advanced and comply with best practices of financial institutions in the country. Furthermore, asset quality and collections, being the backbone for the success of any financial institution, are closely monitored, well maintained and controlled within the group. The aim of GB Capital is to develop a well-diversified and synergetic group of financial services. To that end, GB Capital is also on the lookout for new additions to complement its portfolio.*

- The Financing line of business grew overall revenues 44.2% year-on-year to LE 122.8 million and gross profit 24.7% to LE 34.4 million, despite the downturn caused by the impact on Mashroey of the ban on the import of motorcycles and three-wheelers into Egypt.
- **GB Lease** began the year quite well. It has grown its new loan bookings more than 5x y-o-y, and is now Egypt's second largest leasing company (as ranked by total contracts value as at February, year-to-date), as declared by the Egyptian Financial Supervisory Authority (EFSA).
- **Mashroey's** portfolio has been concentrated in two- and three-wheelers (tuk-tuks, motorcycles and motor tricycles). In 2013, we expanded our product offerings to include YTO agricultural tractors, minivans, and pre-owned tuk-tuks, and in 1Q14 we added animal feedstock (also on credit basis) to its product lines to diversify its portfolio. Despite the downturn caused by the ban on the import of motorcycles and three-wheelers into Egypt which did impact the performance of the company, Mashroey continues to exhibit solid profitability.
- **Drive** has recorded an impressive six-fold growth in its sales y-o-y and anticipates a further boost from GB Auto's Pre-Owned Vehicles line. Drive continued to expand its presence from GB Auto's showrooms to the company's independent dealer network, and covers retail purchases of brands that are not exclusive to GB Auto.
- Both GB Lease and Drive are regulated under the Egyptian Financial Supervisory Authority "EFSA" and are significantly under-leveraged compared to regulatory caps of 9:1 Debt:Equity.
- **Haram Tourism Transport (HTT, also known as Haram Limousine)** is GB Auto's fourth financing company. Making use of an existing but inactive tourism license, the company has changed its management and its activities and now serves as a limousine tourist transportation company. The company provides automotive operational lease to a select range of top-tier multinational companies, with an average operational lease tenor of three years.

- Management notes that as Mashroey, Drive and Haram Tourism Transport transact with the Passenger Cars and the Motorcycles & Three Wheelers lines of business, there are invariably intercompany sales between these units. Results after elimination of these intercompany sales are summarized in Table 5 (below).

**Table 5: Financing Businesses Activity**

		1Q13	1Q14	% Change 1Q13 v 1Q14
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>85.18</b>	<b>122.81</b>	<b>44.18%</b>
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>27.55</b>	<b>34.35</b>	<b>24.67%</b>
Gross Margin	(%)	32.34%	27.97%	-4.38



## Other Lines of Business

GB Auto's Pre-Owned Vehicles division is rolling-out a Western-style pre-owned car operation at all GB-owned points of presence in Egypt. Our newly launched Lubricants business distributes Gazprom Neft-Lubricants at GB Auto-branded and third-party points of presence in the Egyptian market under an exclusive strategic alliance with Gazprom Neft. Our Retail arm will operate retail After-Sales outlets to distribute tires, tire parts, batteries, parts and lubricants. These points of presence will also offer services including tire installation and balancing, battery service and the sale and injection of lubricants in select locations.

- **Retail** operations will launch in 4Q14 at 1-3 branches in prime locations in Cairo. Management is now finalizing with top notch international companies for creating the corporate identity for this LOB and gaining further knowledge of consumer dynamics in this market.
- **Lubricant** operations are slated to begin in late 2Q or early 3Q14, to be launched first in the Great Cairo Area, and eventually expanding across the country.
- **Pre-Owned Vehicles** operations began in mid-March from the GB Auto Ring Road 3S Center, and reported EGP 0.32 million in sales in just a couple of weeks. This exciting new activity is being rolled out to all GB Auto points-of-presence; management believes the market will prove very receptive of this newest addition to our product offering.

**Table 6: Other Sales Activity**

		1Q13	1Q14	% Change 1Q13 v 1Q14
Transport Business Revenues	(LE million)	2.81	1.10	-60.9%
Pre-Owned Vehicles Sales Revenue	(LE million)	-	0.32	-
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>2.81</b>	<b>1.42</b>	<b>-49.33%</b>
Transport Business Gross Profits	(LE million)	-0.29	-1.62	-
Pre-Owned Vehicles Gross Profit	(LE million)	-	0.02	-
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>-0.29</b>	<b>-1.60</b>	<b>-</b>
Gross Margin	(%)	-10.32	-	-

“ GB Auto is focused on long-term growth prospects and is dedicated to maintaining an aggressive pace of investment in our future expansions. ”

## Financial Position and Working Capital Management

The quarter just ended was not only a testament to the strength of our business model, but also a reflection of the company's maneuverability and adaptability to different business climates. Despite a 20.4% decrease in revenues for the Motorcycles and Three-Wheelers line of business — one of our most profitable segments — the company maintained profitability.

Overall, we grew our top line and gross profit by 28.1% and 13.7%, respectively, while our continued efforts to keep SG&A as a percentage of turnover at healthy levels started showing results in 1Q14 with a 50 bps reduction despite heavy investment to support our expansions to new geographies and new lines of business. The company's focus remains on efficiency and further reducing this percentage — while still maintaining our flexibility to pursue continued investment and future expansion plans.

The first quarter saw a slight increase in inventory levels to LE 2.2 billion. Despite this, we reduced our Verna CKD stocks significantly from 4Q13, as planned.

Our net debt-to-date increased by LE 380 million over FY13, but was not overly burdened with financing the increase of inventory; rather, it was largely focused on our growing Financing Businesses. That said, total group debt now stands at LE 3.5 billion, while the company's ability to service that debt has improved, implying an EBITDA Interest Coverage of 2.2x, up from 2.0x at the end of FY 2013.

Generally speaking, our working capital cycle shows a reasonable improvement over the comparative period of 2013, with efforts to deliver further improvements as we continue reducing our inventory levels, especially from the CKD build-up from 2013.

On the cash flow front, we managed to reduce the operational cash flow deficit significantly — to LE 184 million in 1Q14, half its 1Q13 level. That was mainly driven by the improvement in the company's profitability and more importantly better inventory management. It is worth mentioning that the company's substantial spending on the purchase of property, plant and equipment is mainly directed to the growing and solidly-performing leasing activities of the group's Financing Businesses, which showed growth in the net leased assets portfolio of 36% over end-2013. This investment is paying dividends, as GB Lease was ranked as Egypt's second-largest leasing company (as ranked by total contract value as at February, year-to-date) by the Egyptian Financial Supervisory Authority (EFSA).

As we have noted in past Earnings Releases, GB Auto is focused on long-term growth prospects and is dedicated to maintaining an aggressive pace of investment in our future expansions. This investment is naturally leading to a cash flow mismatch; but, as has already occurred with GB Lease and other investments, we have every reason to expect that the investment will ultimately pay off, compensating for both our increased costs and the substantial staff work that expansion efforts are absorbing. Likewise, as these efforts evolve, we fully expect to see better capital utilization and return ratios.

## Latest Corporate Developments

### 1) Corporate Social Responsibility

GB Auto is committed to the long-term wellbeing of all Egyptians, and we have recently been involved in a number of initiatives to benefit our under-privileged countrymen and our students. In 2014, under a program initiated by Misr Al Kheir, GB Auto will donate LE 400,000 to ease the financial burden of under-privileged and indebted Egyptian mothers. Also in 1Q14, GB Auto undertook some initiatives to support orphans. First, the company was honored to invite Orman orphans to attend the Bollywood show that was performed at the Cairo Opera House and was sponsored by GB Auto. Following up on this, Hyundai (through GB Auto) invited 1,100 children to spend a day in Kidzania, an entertainment center that allows children to play at adult occupations and effectively learn skills useful for their future. Finally, GB Auto was proud to sponsor students of the Society of Automotive Engineering at Helwan University who participated in the Baja Competition in Texas from the 24th to 27th of March, 2014.

## Outlook

The next three quarters will prove to be pivotal for both GB Auto and for the economies in which we do business. At a company level, we are seeing positive results from our efforts over the past few years to lay a foundation for regional growth on which we can build as our home market continues to recover from the dislocations it has experienced since 2011.

Management anticipates strong performances from all of our key lines of business in Egypt, assuming the nation continues its journey to a state of political stability and solid economic growth following the conclusion of presidential and parliamentary elections this year. This will be particularly the case with Passenger Cars, where the removal of subsidies will rationalize the usage of cars and boost demand for new, fuel-efficient vehicles. The Commercial Vehicles & Construction Equipment line of business is likely to see a strong turnaround this year, as it benefits from infrastructure spending and positive sentiment by private industry. The Financing Businesses, likewise, will benefit from increased spending in these key sectors, as well as the resumption of corporate spending and continued modernization of the country's agriculture sector.

Downside risks to our operational expectations in Egypt include a lack of supply for our Motorcycles & Three-Wheelers line of business, our second-largest contributor to top-line profits post the 2011 Revolution. That said, as demonstrated by our performance in 1Q14, it is likely and even probable that our other lines of business will mitigate fallout; this is, after all, a key component of our drive to diversify by product, brand, line of business and geography. A further concern for Egyptian operations is the likely devaluation of the Egyptian pound. If it devalues too fast or in an unregulated manner, that will obviously have a negative impact on either margins or volumes. Management is optimistic that policymakers have a firm rein on the strength of the pound and thus anticipate an orderly devaluation over the coming 12-24 months.

In Iraq, parliamentary elections took place on the 30th of April with results to be announced end of May. These were preceded by violence between political factions and the military, while tensions at the border with Syria are adding to an uncertain security environment. These factors dampened sales in the first quarter of the year and may impact 2Q sales, as well. That said, we are optimistic we will see a return to normalcy in this key market, which will, in turn, have a positive impact on vehicle sales in the country.

“ At a company level, we are seeing positive results from our efforts over the past few years to lay a foundation for regional growth on which we can build as our home market continues to recover from the dislocations it has experienced since 2011. ”

In Libya, sales are likewise dampened by an uncertain political and security environment; the staff is presently amassing market-specific knowledge which could be leveraged if and when management opts to move ahead with a more aggressive roll-out. In Algeria, management is confident that measures we have taken to be recognized in the market and optimize our product mix will pay back in the short-to medium-term.

Group-wide, we will be focused on efficiency in operations, continuing to decrease SG&A expenses as a proportion of sales. Meanwhile we will continue to seek different financing alternatives so as to continue fueling our expansion drive in new and existing markets.

Finally, we note that our forecasts for the year do not include allowances for exogenous shocks that may have an impact on market sentiment. At present, these shocks are largely of a political nature, but extend to the potential for shocks related to economic policy swings.

## Financial Statements

### Income Statement

(LE million)	Three Months Ended		
	1Q13	1Q14	% Change
Passenger Cars Revenues	1,453.4	2,021.2	39.1%
Motorcycles & Three-Wheelers Revenues	313.1	249.3	-20.4%
Commercial Vehicles & Construction Equipment Revenues	116.2	181.4	56.1%
Tires Revenues	111.3	91.6	-17.7%
Financing Businesses Revenues	85.2	122.8	44.2%
Other Revenues	2.8	1.4	-49.3%
<b>Total Sales Revenues</b>	<b>2,081.9</b>	<b>2,667.7</b>	<b>28.1%</b>
<b>Total Gross Profit</b>	<b>317.9</b>	<b>361.5</b>	<b>13.7%</b>
<i>Gross Profit Margin</i>	<i>15.3%</i>	<i>13.6%</i>	<i>-1.7</i>
Selling and Marketing	-91.9	-102.3	11.4%
Administration Expenses	-46.6	-61.8	32.7%
Other Operating Income (Expenses)	8.2	9.1	11.0%
<b>Operating Profit</b>	<b>187.6</b>	<b>206.4</b>	<b>10.1%</b>
<i>Operating Profit Margin (%)</i>	<i>9.0%</i>	<i>7.7%</i>	<i>-1.3</i>
Net Provisions and Non-Operating	-10.2	-10.4	1.9%
<b>EBIT</b>	<b>177.4</b>	<b>196.1</b>	<b>10.5%</b>
<i>EBIT Margin (%)</i>	<i>8.5%</i>	<i>7.4%</i>	<i>-1.1</i>
Foreign Exchange Gains (Losses)	-19.5	-17.9	-8.4%
Net Finance Cost	-78.2	-89.5	14.4%
<b>Earnings Before Tax</b>	<b>79.6</b>	<b>88.7</b>	<b>11.3%</b>
Income Taxes	-12.0	-17.2	42.4%
Net Profit Before Minority Interest	67.6	71.5	5.8%
Minority Interest	-20.3	-23.5	16.0%
<b>Net Income</b>	<b>47.3</b>	<b>48.0</b>	<b>1.4%</b>
<i>Net Profit Margin (%)</i>	<i>2.3%</i>	<i>1.8%</i>	<i>-0.5</i>



## Balance Sheet

(LE million)	As Of		
	31-Dec-13	31-Mar-14	% Change
Cash	1,085.1	942.1	-13.2%
Net Accounts Receivable	875.5	922.7	5.4%
Inventory	2,127.6	2,200.5	3.4%
Assets Held For Sale	313.1	313.1	0.0%
Other Current Assets	513.3	775.2	51.0%
<b>Total Current Assets</b>	<b>4,914.6</b>	<b>5,153.6</b>	<b>4.9%</b>
Net Fixed Assets	1,710.5	1,731.0	1.2%
Goodwill and Intangible Assets	280.0	280.0	0.0%
Lessor Assets	502.2	684.1	36.2%
Investment Property	3.1	3.1	0.0%
Other Long-Term Assets	204.4	222.3	8.8%
<b>Total Long-Term Assets</b>	<b>2,700.2</b>	<b>2,920.5</b>	<b>8.2%</b>
<b>Total Assets</b>	<b>7,614.9</b>	<b>8,074.2</b>	<b>6.0%</b>
Short-Term Notes and Debt	3,095.0	3,080.1	-0.5%
Accounts Payable	1,373.4	1,320.5	-3.8%
Other Current Liabilities	84.7	201.8	138.3%
<b>Total Current Liabilities</b>	<b>4,553.0</b>	<b>4,602.4</b>	<b>1.1%</b>
Long-Term Notes and Debt	217.0	473.1	118.0%
Other Long-Term Liabilities	217.8	287.8	32.2%
<b>Total Long-Term Liabilities</b>	<b>434.8</b>	<b>761.0</b>	<b>75.0%</b>
<b>Minority Interest</b>	<b>611.5</b>	<b>641.8</b>	<b>5.0%</b>
Common Stock	131.1	131.1	0.0%
Shares Held With the Group	-3.3	-3.3	0.0%
Legal Reserve	288.7	291.3	0.9%
Other Reserves	1,089.5	1,094.9	0.5%
Retained Earnings (Losses)	509.4	554.8	8.9%
<b>Total Shareholder's Equity</b>	<b>2,015.5</b>	<b>2,068.9</b>	<b>2.6%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>7,614.9</b>	<b>8,074.2</b>	<b>6.0%</b>

#### Head Office

Cairo-Alex Desert Road, Km 28  
Industrial Zone  
Abu Rawash, Giza, Egypt

#### Investor Relations

Menatalla Sadek, CFA  
Corporate Finance and Investments  
Director

Hoda Yehia  
Investor Relations Manager

Rania El Shenoufy  
Investor Relations Analyst

Direct: +202 3910 0485  
Tel: +202 3539 1201  
Fax: +202 3539 0139  
e-mail: [ir@ghabbour.com](mailto:ir@ghabbour.com)

[ir.ghabbourauto.com](http://ir.ghabbourauto.com)

#### Shareholder Information

Reuters Code: AUTO.CA  
Bloomberg Code: AUTO.EY

Shares Outstanding: 128,892,900

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

GB Auto S.A.E. (AUTO.CA on the Egyptian Exchange) is a leading automotive producer and distributor in the Middle East and North Africa. Across five primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires and Financing — the company's main business activities include assembly, manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Geely, Bajaj, Marcopolo, Great Wall, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Lassa, Yokohama, Good-year, Westlake, Triangle, Grandstone, Diamond Back, Monroe and Gazpromneft. GB Auto has operations in Egypt, Iraq, Libya and Algeria, and is actively pursuing opportunities in new geographies within its core footprint. The company is headquartered in Giza, Greater Cairo Area, Egypt. [www.ghabbourauto.com](http://www.ghabbourauto.com)

#### 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.