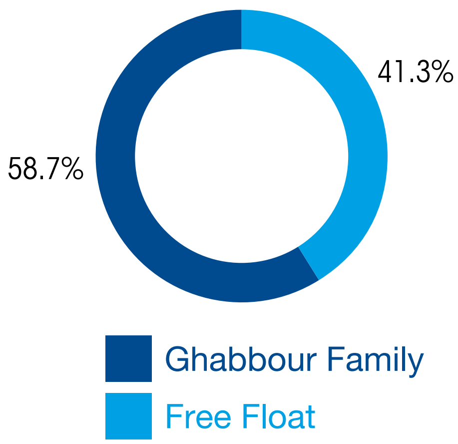
GHABBOUR AUTO

AUTO.CA
on the Egyptian Exchange

GB Auto's Shareholding Structure
as of 31 March 2015



GB Auto 1Q15 Results: Highlights

First Quarter 2015 Financial Highlights

- GB Auto revenue in 1Q15 was up 20.0% to LE 3,200.3 million from LE 2,667.7 million in 1Q14.
- Net income was LE 52.1 million in 1Q15, an 8.5% improvement over 1Q14; net profit margin was steady at 1.6 percentage points.
- Normalized net income (excluding FOREX) reached LE 109.9 million in 1Q15, an increase of 67% over the normalized bottom line of 1Q14.
- Passenger car revenue dropped 3.1% year-on-year from LE 1,992.8 million in 1Q14 to LE 1,930.9 million in the quarter just ended.
- Motorcycles and Three-Wheelers revenue rose 96.0% in 1Q15 to LE 488.6 million from LE 249.3 million in 1Q14.
- Commercial Vehicles and Construction Equipment revenue closed the quarter at LE 453.3 million, up 116.2% from LE 209.7 million in 1Q14.
- Tires revenue registered a 10.1% decrease in the quarter to LE 82.4 million .
- Financing Businesses revenue rose 89.1% to LE 232.2 million in 1Q15.
- Others revenue reached LE 12.6 million for Pre-Owned Vehicles, legacy fleet transportation contracts, and Lubricants.

Notice: Message from the CEO

- Beginning in 1Q 2015, the message from CEO Dr. Raouf Ghabbour will be delivered exclusively in the quarterly results conference call, to be held on Wednesday, 13 May 2015 at 16:00 Cairo Local Time (15:00 London Time). To hear Dr. Ghabbour's remarks, please dial in to +44(0)20 3427 1912 / +1646 254 3367 with the conference ID 7706551 at the specified time and date. The full conference call transcript will also be available for download on **ir.ghabbourauto.com**.

GB Auto Reports 1Q15 Results

Leading automotive player reports solid top- and bottom-line growth despite challenging regional markets and continuing pressures from local operations

"When Egypt was in crisis we continued investing and expanding, effectively positioning ourselves to take the lead in today's recovering market. Likewise, we intend to continue investing in both our expansion markets and our product portfolio in a capital efficient way that will see us go up the value chain to enhance our business profitability."

12 May 2015 — (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 1Q15, reporting revenues of LE 3,200.3 million, an increase of 20.0% year-on-year. Net profits rose 8.5% y-o-y to LE 52.1 million, with net margins coming in at 1.6%.

"It is reasonable to say that the first quarter of this year provided us with a mixed bag of treats, with solid performance of divisions in our home market somewhat offset by the devaluation of the Egyptian pound as well as increased risk and challenges in our expansion markets," said GB Auto Chief Executive Officer Dr. Raouf Ghabbour.

"That said, this is nothing we have not encountered before: When Egypt was in crisis we continued investing and expanding, effectively positioning ourselves to take the lead in today's recovering market. Likewise, we intend to continue investing in both our expansion markets and our product portfolio in a capital efficient way that will see us go up the value chain to enhance our business profitability."

The Passenger Cars division saw a 3.1% y-o-y decrease in revenues in 1Q15 to LE 1,930.9 million, as strong performance by Hyundai Egypt was insufficient to offset challenges in Iraq and management's decision to withhold Geely supplies to the market to clear wholesale and dealer-level oversupply that accumulated in 4Q14.

The Motorcycles & Three-Wheelers line of business was bolstered by strong demand, leading the LOB to nearly double its total revenues y-o-y to LE 488.6 million in the quarter.

As management had anticipated, the Commercial Vehicles & Construction Equipment LOB reported a continuation of its turnaround story in 1Q15, reporting a 116.2% y-o-y increase in revenues to LE 453.5 million. Meanwhile, the Tires line of business saw strong sales growth in its regional activities but suffered from softness in local market demand on a switch to a cash-and-carry sales model.

The Financing Businesses performed very well, with each of its four units posting revenue and gross profit growth. The division overall reported an 89.1% increase in revenues to LE 232.2 million in 1Q15.

GB Auto's Startups line of business reported revenues of LE 12.6 million in 1Q15, as it continues to benefit from the full integration of the Pre-Owned Vehicles line in GB Auto-owned points of sale and the continued roll-out of Lubricants sales.

SG&A expenses rose 15.6% in hard terms y-o-y from LE 164.1 million in 1Q14 to LE 189.9 million in 1Q15. However, for the third quarter in a row, they were down as a percentage of revenue, a key management goal since 2014.

Top-line growth filtered down to the Earnings Before Interest and Taxes (EBIT) line but a three-fold increase in FOREX losses — with the bulk incurred in January, reaching EGP 57.8 mn — as well as increased financing costs led to a more modest 8.5% increase in the bottom line to LE 52.1 million. Excluding FOREX losses, which have since the Central Bank of Egypt's decision in February become a non-recurring item, the company would have reported a doubling in net profit.

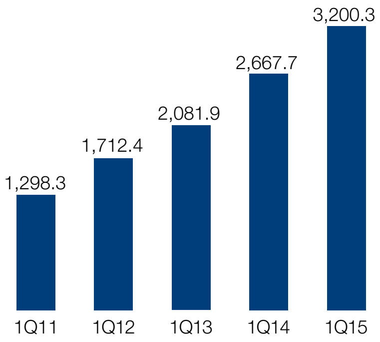
"Heading into the second quarter, Geely sales are well on their way back to historical levels as we began normal deliveries to the market, and I remain optimistic that our very strong results in Egypt will continue to provide a cushion for softness in Iraq and Algeria," concluded Ghabbour. "That said, it remains critical that the Government of Egypt address the unfair competitive advantages against locally assembled vehicles enjoyed by Turkish, European and Moroccan imports. I speak for our industry at large in saying I hope to hear of positive developments on this front — and soon."

Highlights of GB Auto's 1Q15 results follow, along with management's analysis of the company's performance. Complete financials are available for download on ir.ghabbourauto.com.

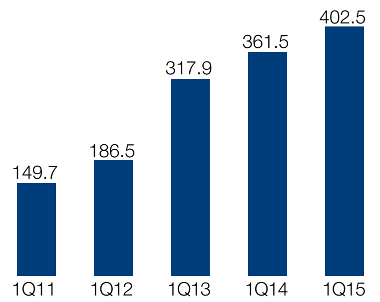
First Quarter 2015 at a Glance

Key Indicators
(all figures in LE million)

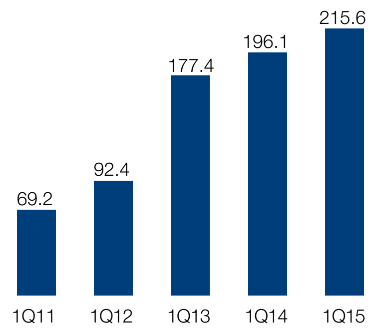
Revenues



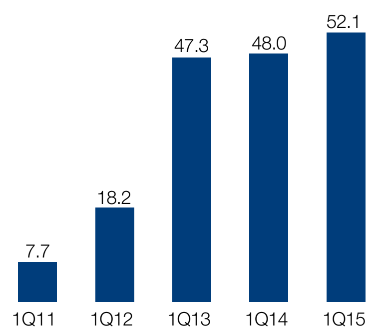
Gross Profits



EBIT

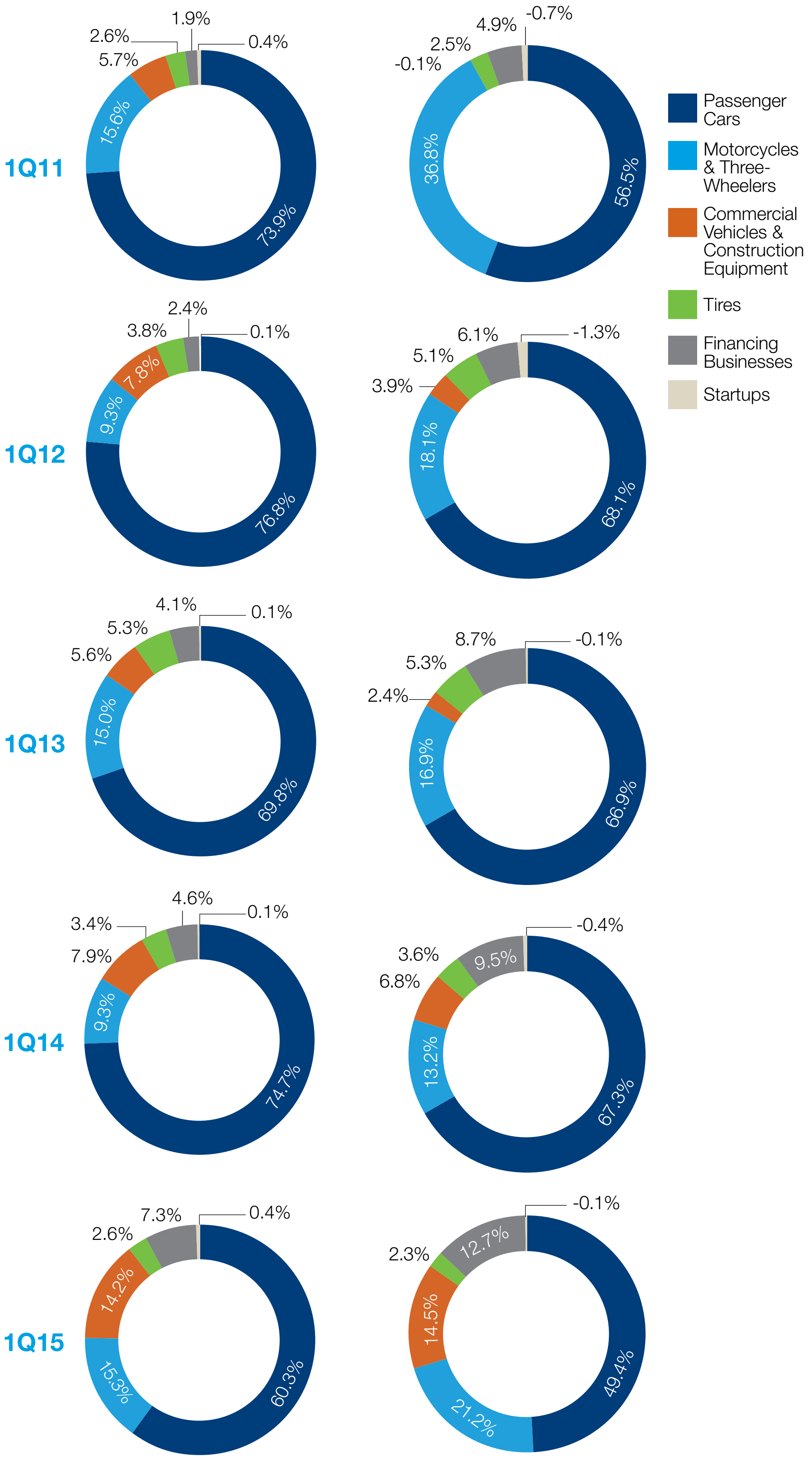


Net Income



Revenue Contribution by Line of Business

Gross Profit Contribution by Line of Business



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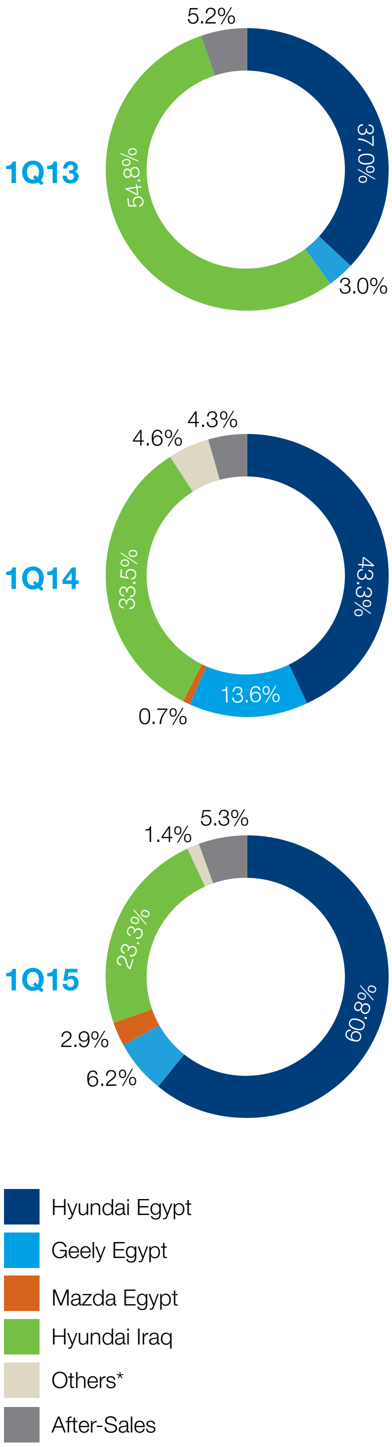
Passenger Car Revenue Breakdown by Segment

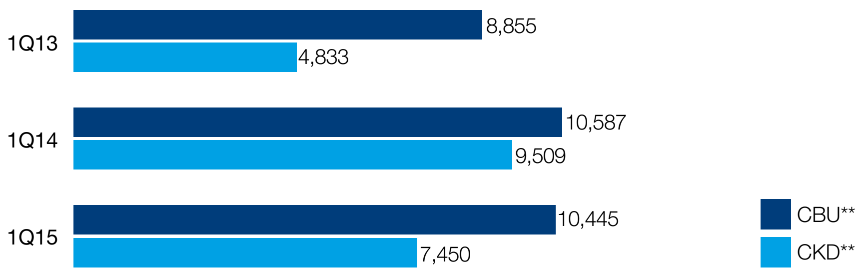


* Others includes Geely Libya, Geely Algeria and Karry Egypt

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 Emgrand 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 Emgrand passenger cars in Algeria. GB Auto serves the Egyptian market with both Completely-Knocked-Down (CKD) and Completely-Built-Up (CBU) products while operating in Iraq 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

- According to the Egyptian Automotive Marketing Information Council (AMIC), the Egyptian passenger car market witnessed a 13.8% increase in overall sales to 48,914 units in 1Q15 from 42,996 units in the same quarter last year, with a sharp increase of 39% in CBU unit sales when compared to 1Q14.
- GB Auto saw total unit sales rise a modest 3.0% y-o-y in the first quarter as management purposefully withheld deliveries of Geely models to its dealer network. A sharp reduction in Geely sales was almost entirely offset by surging sales of Hyundai and Mazda vehicles.
- Across all brands, GB Auto held a total 1Q15 market share of 27.8% (including Hyundai, Geely Emgrand and Mazda), down slightly as compared to 30.4% in 1Q14.
- Lower sales volumes and the depreciation of the Egyptian pound against the USD and Korean won (at the same time as the company's brands continued to face stiff competition from Japanese and European brands, where currencies are weakening) put downward pressure on margins as management was unable to pass on the full impact of devaluation to the market.
- Hyundai captured a market share of 23.8% as total sales of CBU units rose a substantial 60.7% in the quarter and CKD unit sales rose 7.2%, reflecting strong consumer demand.
- In the first quarter of this year, management took the strategic decision to withhold delivery of new models of Geely Emgrand to dealers as it worked to correct a market oversupply. Accordingly, this division reported a 71.7% decrease in sales of CKD units, leading to a diminished market share of 3.4%. Management notes that these issues have been addressed and expects sales to return to normalized levels, a trend now evident in April 2015 sales figures.

> *It remains critical that the Government of Egypt address the unfair competitive advantages against locally assembled vehicles enjoyed by Turkish, European and Moroccan imports. I speak for our industry at large in saying I hope to hear of positive developments on this front — and soon.*

- Mazda continues to report increases in unit sales, revenues and contributions to the LOB's gross profit. Management is quite pleased with this division's performance and is very open to introducing additional models should customs regimes permit, allowing it to capitalize on strong consumer demand for the brand.
- The Passenger Cars After-Sales Division continued to improve in 1Q15, in hard terms of revenue and gross profit, as well as the more subjective terms of customer satisfaction. The division is expected to further increase its contribution in this year and the next as the company looks to make full use of new After-Sales facilities on the Ring Road and Suez Road in particular.

Iraq

- Iraqi operations were sharply impacted in the first quarter of 2015 by a particularly soft market as consumer confidence fell and the market flipped to oversupply due to the dumping of product on the market by non-authorized regional dealers. Management is examining solutions to the market difficulties and, despite adverse conditions, continues to operate in Iraq. As with all other companies operating in the Iraqi market, GB Auto has reasonably low visibility at present on the expected pace of operations in the remainder of 2015.
- The company will continue to invest in its Iraqi sales infrastructure in as low-risk and capital-efficient a manner as possible.

Algeria

- Management continues to target a modest increase in sales in the near term and a gradual ramp up in the medium term. In the first quarter of this year, currency issues impeded revenue growth.
- Management is also pursuing additional opportunities for long-term growth in this potentially lucrative market.

Libya

- Given the ongoing challenges Libya is facing, management is in the process of liquidating inventory as it prepares to exit the market. In the meantime, it is noteworthy that the company does not have any personnel in Libya and that the in-country inventory is fully insured.

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

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Volume	(Units)	20,096	17,895	-11.0%
Sales Revenue	**(LE million)**	**1,908.1**	**1,828.4**	**-4.2%**
Gross Profit	**(LE million)**	**217.4**	**163.1**	**-24.9%**
Gross Profit Margin	*(%)*	*11.4%*	*8.9%*	*-2.5*
After-Sales Revenue	**(LE million)**	**84.7**	**102.5**	**21.0%**
After-Sales Gross Profit	**(LE million)**	**26.0**	**35.9**	**37.8%**
After-Sales Gross Profit Margin	*(%)*	*30.7%*	*35.0%*	*4.3*
Total Passenger Car Revenues	**(LE million)**	**1,992.8**	**1,930.9**	**-3.1%**
Total Passenger Car Gross Profit	**(LE million)**	**243.4**	**199.0**	**-18.2%**
Passenger Car Gross Margin	**(%)**	**12.2%**	**10.3%**	**-1.9**

Table 1B: Passenger Car Sales Activity — Egypt

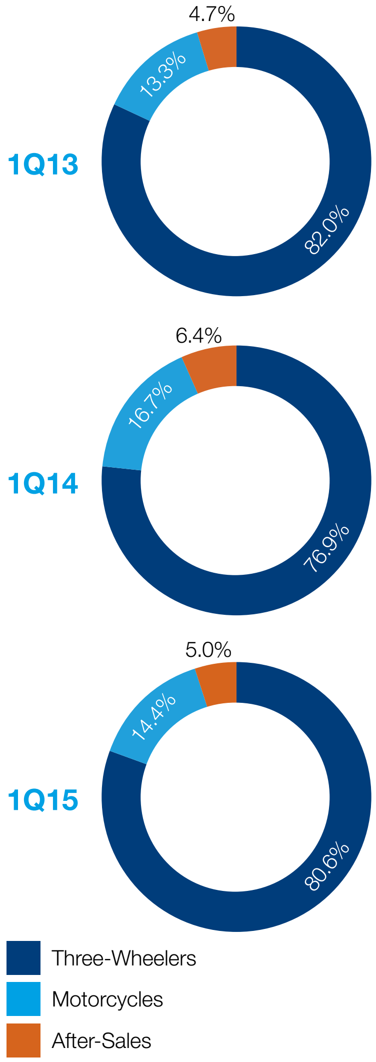
		1Q14	1Q15	% Change 1Q14 v 1Q15
CBU Sales Volume (Hyundai)	(Units)	3,354	5,390	60.7%
CBU Sales Volume (Geely Emgrand)	(Units)	411	635	54.5%
CBU Sales Volume (Mazda)	(Units)	106	313	195.3%
CKD Sales Volume (Hyundai)	(Units)	5,910	6,335	7.2%
CKD Sales Volume (Karry)	(Units)	-	96	-
CKD Sales Volume (Geely Emgrand)	(Units)	3,599	1,019	-71.7%
Total Sales Volume	**(Units)**	**13,380**	**13,788**	**3.0%**
Total Market*	**(Units)**	**42,996**	**48,914**	**13.8%**
GB Auto Market Share*	***(%)***	**30.4%**	**27.8%**	**-2.6**
Sales Revenue	**(LE million)**	**1,147.8**	**1,355.3**	**18.1%**
Gross Profit	**(LE million)**	**137.6**	**151.4**	**10.0%**
Gross Profit Margin	*(%)*	*12.0%*	*11.2%*	*-0.8*
After-Sales Revenue	**(LE million)**	**70.9**	**85.8**	**21.0%**
After-Sales Gross Profit	**(LE million)**	**22.0**	**30.3**	**37.9%**
After-Sales Gross Profit Margin	*(%)*	*31.0%*	*35.3%*	*4.3*
Total Egypt Passenger Car Revenues	**(LE million)**	**1,218.7**	**1,441.1**	**18.2%**
Total Egypt Passenger Car Gross Profit	**(LE million)**	**159.6**	**181.7**	**13.8%**
Passenger Car Egypt Gross Margin	**(%)**	**13.1%**	**12.6%**	**-0.5**

Table 1C: Hyundai Passenger Car Sales Activity — Iraq

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Volume	**(Units)**	**5,329**	**3,788**	**-28.9%**
Sales Revenue	**(LE million)**	**668.0**	**450.8**	**-32.5%**
Gross Profit	**(LE million)**	**76.7**	**12.1**	**-84.2%**
Gross Profit Margin	*(%)*	*11.5%*	*2.7%*	*-8.8*
After-Sales Revenue	**(LE million)**	**13.0**	**14.0**	**7.8%**
After-Sales Gross Profit	**(LE million)**	**4.5**	**5.1**	**11.3%**
After-Sales Gross Profit Margin	*(%)*	*34.9%*	*36.1%*	*1.2*
Total Iraq Passenger Car Revenues	**(LE million)**	**681.1**	**464.8**	**-31.7%**
Total Iraq Passenger Car Gross Profit	**(LE million)**	**81.2**	**17.2**	**-78.8%**
Passenger Car Iraq Gross Margin	**(%)**	**11.9%**	**3.7%**	**-8.2**

* 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).

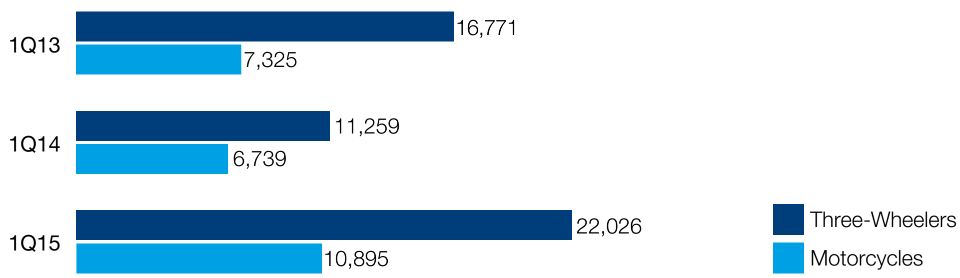
Motorcycle & Three-Wheeler Revenue Breakdown by Segment



Motorcycle & Three-Wheeler Line of Business

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

Breakdown of Units Sold



Motorcycles & Three-Wheelers

- The Motorcycles & Three-Wheelers line of business reported a significant increase year-on-year in first-quarter sales volumes, revenues and gross profits. This positive growth comes in what is traditionally a slow season for sales of these vehicles, given the winter weather, and management therefore sees the increases as sustainable.
- GB Auto's current facilities in Egypt are considered to be the first motorized assembly line of production for Bajaj Three-Wheelers outside of India. The company is finalizing studies to install new painting and welding shops with considerable components and process localization. Proceeds from the ongoing capital increase through rights issue will in part be used to finance this expansion.
- Management has also launched sales in Iraq of these popular vehicles. Unit sales to-date are promising and management is optimistic about its long-term potential, conditions on the ground allowing.
- Despite the reported doubling in revenues and gross profits in EGP terms, the reported GPMs were dampened by the official devaluation of the EGP, which was only partially passed on to end consumers.

Table 2: Motorcycle & Three-Wheeler Sales Activity

		1Q14	1Q15	% Change 1Q14 v 1Q15
Three-Wheeler Sales Volume	(Units)	11,259	22,026	95.6%
Motorcycle Sales Volume	(Units)	6,739	10,895	61.7%
Total Sales Volume	**(Units)**	**17,998**	**32,921**	**82.9%**
Sales Revenue	**(LE million)**	**233.3**	**464.2**	**99.0%**
Gross Profit	**(LE million)**	**45.3**	**81.7**	**80.3%**
Gross Profit Margin	*(%)*	*19.4%*	*17.6%*	*-1.8*
After-Sales Revenue	**(LE million)**	**15.9**	**24.4**	**53.0%**
After-Sales Gross Profit	**(LE million)**	**2.4**	**3.7**	**53.8%**
After-Sales Gross Profit Margin	*(%)*	*15.1%*	*15.2%*	*0.1*
Total Motorcycle & Three-Wheeler Revenues	**(LE million)**	**249.3**	**488.6**	**96.0%**
Total Motorcycle & Three-Wheeler Gross Profit	**(LE million)**	**47.7**	**85.4**	**79.0%**
Motorcycle & Three-Wheeler Gross Margin	**(%)**	**19.1%**	**17.5%**	**-1.7**

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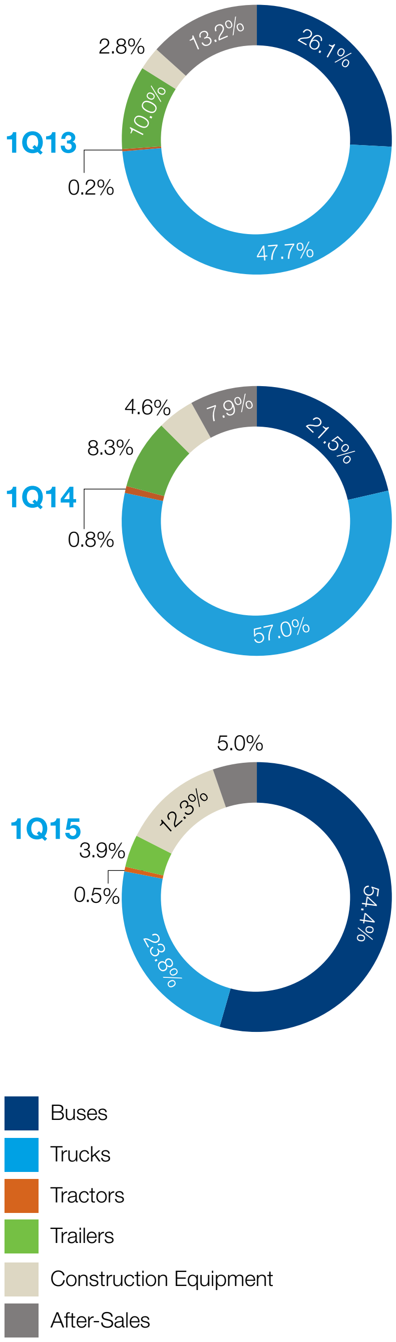
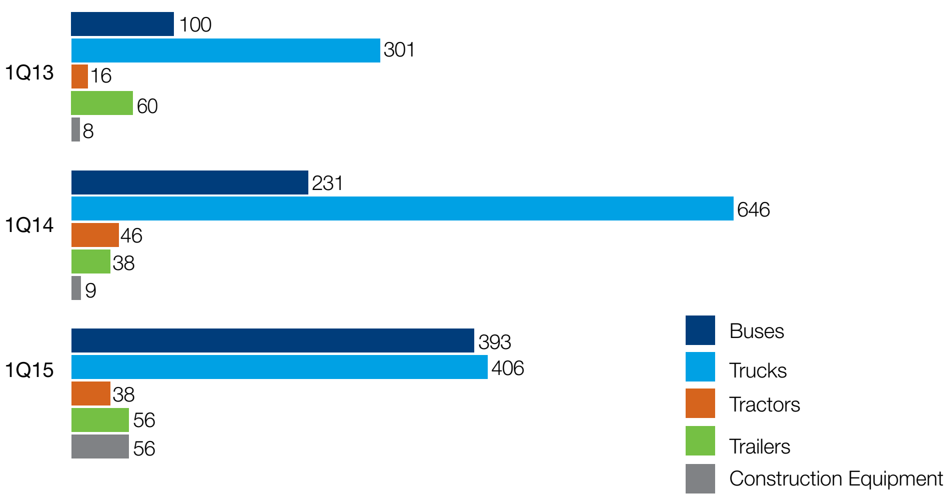
Commercial Vehicles & Construction Equipment Revenue Breakdown by Segment



Commercial Vehicles & Construction Equipment Line of Business

The Commercial Vehicles & Construction Equipment line of business offers a wide range of trucks and locally manufactured buses under exclusive distributorship agreements with Mitsubishi, Volvo and Iveco. 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, and produces buses for domestic and export markets through GB Polo (a state-of-the-art facility in partnership with global leader Marcopolo).

Breakdown of Units Sold



- In the first quarter of 2015, the Commercial Vehicles & Construction Equipment line of business saw overall revenues more than double to EGP 453.5 mn while gross profits increased more than two-fold when compared to 1Q14. These strong results came on the back of ongoing government spending on infrastructure investments and increased economic activity, a trend management is optimistic will continue throughout 2015.
- Gross profit margins for the line of business rose 1.1 percentage points in 1Q15 to 12.8% — a further indication of a strong quarter — and management remains confident that current levels are sustainable.
- In 1Q15, the Bus division registered a 70.1% jump in sales volumes on the back of a government contract and increased business spending.
- Exports through GB Polo to markets in East Africa and the GCC began in earnest in 2014, and the company has done well in terms of market acceptance and repeat orders.
- Trucks reported a volume drop in 1Q15 as compared to 1Q14, with a portion of sales expected to be reflected in 2Q15 results, while the Trailers division

reported a 47.4% improvement in unit sales, supported by increased sales of super-structures. Management continues to reduce its overstock of high-cost materials and is confident that in the long-term the superstructure business will remain small but profitable.

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

		1Q14	1Q15	% Change 1Q14 v 1Q15
Bus Sales Volume	(Units)	231	393	70.1%
Truck Sales Volume	(Units)	646	406	-37.2%
Tractor Sales Volume	(Units)	46	38	-17.4%
Trailer Sales Volume	(Units)	38	56	47.4%
Construction Equipment Sales Volume	(Units)	9	56	-
Total Sales Volume	**(Units)**	**970**	**949**	**-2.2%**
Sales Revenue	**(LE million)**	**193.3**	**430.8**	**122.9%**
Gross Profit	**(LE million)**	**21.1**	**55.1**	**161.9%**
Gross Profit Margin	*(%)*	*10.9%*	*12.8%*	*1.9*
After-Sales Revenue	**(LE million)**	**16.5**	**22.7**	**37.7%**
After-Sales Gross Profit	**(LE million)**	**3.5**	**3.0**	**-13.3%**
After-Sales Gross Profit Margin	*(%)*	*21.3%*	*13.4%*	*-7.9*
Total Commercial Vehicles & Construction Equipment Revenue	**(LE million)**	**209.7**	**453.5**	**116.2%**
Total Commercial Vehicles & Construction Equipment Gross Profit	**(LE million)**	**24.6**	**58.2**	**136.9%**
Commercial Vehicles & Construction Equipment Gross Margin	**(%)**	**11.7%**	**12.8%**	**1.1**

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 Double Coin tires while it distributes Westlake, Diamond Back and Jumbo tires in Iraq. In Jordan, the company distributes Diamond Back, Triangle and Jumbo tires; and in Algeria it distributes Lassa, Grandstone and, most recently, Goodyear tires.

- The Tires line of business reported a difficult first quarter as a management decision to change customer payment options in Egypt from credit-based to cash-and-carry impacted sales as part of management's ongoing bid to mitigate risk. GB Auto believes the impact of this decision is short-term and sees tire demand returning strongly in 2Q15.
- Regional tire sales, meanwhile, were quite strong as sales of Goodyear in Algeria were warmly received by the market and Jumbo tires were successfully launched in both the Iraqi and Jordanian markets.
- The new tires manufacturing facility will permit GB Auto to lock-in supplies of products appropriate to its markets while simultaneously catering to strong local demand in North and East Africa and the GCC, where c.99% of tires sold are imported. The plant will also give GB Auto access to a sufficient quantity of van, light truck and truck tires, the absence of which (as a result of supplier constraints) has been a persistent obstacle to the division's growth.

Table 4A: Total Tires Sales Activity

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Revenues	**(LE million)**	**91.6**	**82.4**	**-10.1%**
Total Gross Profit	**(LE million)**	**13.1**	**9.2**	**-30.1%**
Gross Margin	(%)	14.3%	11.1%	-3.2

Table 4B: Tires Sales Activity — Egypt

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Revenues	**(LE million)**	**70.2**	**44.6**	**-36.5%**
Total Gross Profit	**(LE million)**	**11.2**	**6.4**	**-42.7%**
Gross Margin	(%)	15.9%	14.4%	-1.6

Table 4C: Tires Sales Activity — Regional

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Revenues	**(LE million)**	**21.4**	**37.8**	**76.5%**
Total Gross Profit	**(LE million)**	**2.0**	**2.8**	**42.2%**
Gross Margin	(%)	9.1%	7.3%	-1.8

Financing Line of Business

GB Auto's future strategy aims to create a full-fledged financial arm that serves its core business while competing aggressively with other non-bank financial service providers. GB Capital is the driver of this strategy. Today, GB Capital oversees the operations of the group's four financial service providers: GB Lease, which offers financial leasing services to a wide range of companies; Mashroey, which offers microfinance services to individuals throughout Egypt; Drive, which offers factoring services to individuals and companies; and, most recently, Haram Limousine, which offers operational leasing services to companies in the market. GB Capital's strategy is to benchmark its operations against the best in the field, building on strict and robust credit policies specifically developed for each industry. All companies are staffed with veterans of the financial services industry to provide the required expertise and know-how, and all companies work on a non-exclusive basis with GB Auto to ensure the competitiveness of operations. 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 — 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 building on the spirit and strategy of GB Auto while maintaining a high level of focus and specialized expertise within each company. To that end, GB Capital is also on the lookout for new additions to complement its portfolio.

- GB Auto's Financing Businesses are increasingly contributing a higher share to the company's overall profitability, contributing significantly to total GB Auto profitability in 1Q15.
- The Financing Businesses under GB Capital are growing steadily, with revenues up 89.1% year-on-year in 1Q15 to LE 232.2 million compared to LE 122.8 million in 1Q14. Total gross profit was up 49% y-o-y to LE 51.2 million. Margins remain robust compared to market norms and are reflective of the status of this line of business as a well-diversified, nonbank financial service provider. Nonetheless, it is to be noted that gross profit margin is an atypical measurement of profitability of operations for financial institutions, where the latter focus on net bottom line, ROE and portfolio quality. Along these measurement criteria, the Financing Businesses maintained a very healthy loan portfolio quality with non-performing loans under 1% with a coverage ratio in excess of 100%. For indication, full year ROAE stood at 23.3%.
- The Financing Businesses model is built on the companies' ability to obtain leverage to fuel their lending portfolios, which widely differs from the trading or manufacturing business model in terms of amount of debt incurred and the tenor of such debt by any company. All companies under GB Capital remain strongly under-leveraged compared to industry norms and regulatory caps which, in light of the nature of the business (especially for GB Lease and Drive), allows the companies to borrow up to 8x Shareholders' Equity. Total

leverage for the Financing Businesses stood at 2.8x as at 31 March 2015.

- **GB Lease** continued on its solid growth path, growing the top line 83.6% y-o-y and maintaining a strong foothold in the market. By law, GB Lease provides business-to-business financial leasing solutions. It is non-exclusive to GB Auto and caters to a diversified client base. GB Lease's asset base is diversified, including real estate, automotive, production lines and other asset classes. Tenor is medium term, and the company focuses is on risk diversification by asset class, industry sector and clients, and operates prudent risk management practices with respect to provisions and risk recognition.
- **Mashroey** continued to maintain strong profitability and a healthy portfolio, with growth of 90.2% y-o-y (before elimination). The company maintains an extensive products base, with the bulk of its portfolio geared towards TukTuks and Tricycles. Mashroey's credit policy is stringent, its portfolio tenor is predominantly short term, and it operates a nationwide network of 70+ branches.
- **Drive** offers factoring services to a well-diversified client base, ranging from business-to-business (SMEs) to business-to-consumer (retail). It has continued with its solid growth, recording 75.5% (before elimination) top-line growth y-o-y and anticipates a further boost to its operations, particularly considering the first quarter is usually the slowest. The company anticipates a further boost to its operations, especially after factoring regulations expanded the scope of operations to allow business-to-consumer, in addition to business-to-business. 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. The company's portfolio tenor is predominately medium term.
- **Haram Tourism Transport** "HTT" (also known as Haram Limousine) recorded a doubling in revenues y-on-y in 1Q15 (before elimination). The company operates as a car rental / quasi-operational lease company and deals with a select range of top-tier multinational companies, with an average tenor of 3 years.
- Both GB Lease and Drive are regulated under the Egyptian Financial Supervisory Authority "EFSA".
- 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

		1Q14	1Q15	% Change 1Q14 v 1Q15
Total Sales Revenues	**(LE million)**	**122.8**	**232.2**	**89.1%**
Total Gross Profit	**(LE million)**	**34.3**	**51.2**	**49.0%**
Gross Margin	(%)	28.0%	22.0%	-5.9

Startups

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 G-Energy and Gazpromneft products at GB Auto-branded and third-party points of sales in the Egyptian market under an exclusive strategic alliance with Gazpromneft Lubricants. 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.

- **Lubricant** operations launched with test sales continuing throughout the first half of 2015, after which the lubricant business's sales reach will cover a material portion of the Egyptian market. Management anticipates further announcements regarding product representations within GB Auto-branded service centers and third-party points of sale in the near future.
- The **Pre-Owned Vehicles** division closed the first quarter of 2015 with LE 7.6 million in sales and a positive contribution to gross profit, reflecting the fundamental soundness of management's decision to fully integrate POV sales with its new car distribution network.
- Preparations are well underway for the **Retail** division to launch operations in 2015 at three branches, to be called '360,' in prime locations in Cairo.

Table 6: Other Sales Activity

		1Q14	1Q15	% Change 1Q14 v 1Q15
Transport Business Revenues	(LE million)	1.1	0.7	-32.1%
Lubricants Sales Revenue	(LE million)	-	4.3	-
Pre-Owned Vehicles Sales Revenue	(LE million)	0.3	7.6	-
Total Sales Revenues	**(LE million)**	**1.4**	**12.6**	**-**
Transport Business Gross Profits	(LE million)	-1.6	-1.8	10.4%
Lubricants Gross Profit	(LE million)	-	1.0	-
Pre-Owned Vehicles Gross Profit	(LE million)	-	0.3	-
Total Gross Profit	**(LE million)**	**-1.6**	**-0.5**	**-70.6%**
Gross Margin	*(%)*	-112.5%	*-3.7%*	*108.8*

Financial Position and Working Capital Management

> "The company has plenty of room to fund its expansion plans, especially after the very successful completion of its capital increase through rights issue process which was 99.86% subscribed."

During the first quarter of 2015, GB Auto revenues increased 20% over 1Q14 while EBITDA, increased 14.6% y-o-y. EBITDA margin was stable q-o-q at 8.6%.

Although the first quarter is usually the weakest quarter of the year, 1Q15 offered an exceptionally good performance. Excluding what we can now refer to as one-off FOREX expenses, GB Auto reported a normalized net income of circa EGP 110 million, an increase of c. 67% over 1Q14. EBITDA interest coverage improved to reach 2.95x in 1Q15, up from 2.55x in 1Q14.

GB Auto's robust business model yet again proved to be solid as the weakness in Iraqi Passenger Car sales was offset by the healthy performance of the Egyptian Hyundai business. Market growth across most of our product segments has resulted in a reported increase in inventory to match our revenue growth potential in the quarters to come. Despite the increase of LE 350 million in inventory during the quarter, GB Auto reversed the course of its negative funds from operations (FFO) by changing the terms of our payables DOH with our main supplier, as promised in previous Earnings Releases. This has resulted in a solid FFO of LE 330 million in 1Q15 versus an FFO of negative LE 281.5 in 1Q14.

Total debt continued to climb, albeit at a decreasing rate as our operations are run more efficiently, while net debt declined q-o-q. Namely, while total debt stood at c. LE 5 billion on 31 March 2015 compared to c. LE 4.8 billion on 31 December 2014, net debt declined to LE 3.5 billion as of end-1Q15 compared to c. LE 3.6 billion as of end-FY14. Our leverage position improves if we exclude the following from our operating debt calculation so we can take a better look at the real business leverage:

- Total debt from the financing businesses (which is backed up by high-quality assets) and which stood at c. LE 945 million at the end of 1Q15; and
- Shareholder loan of LE 538.7 million, including accrued interest, and which was subsequently used to settle the subscription of the main shareholders to the company's capital increase shortly after the quarter closed.

Excluding both these figures would bring our total debt to c. LE 3.5 billion, which means that the company has plenty of room to fund its expansion plans, especially after the very successful completion of its capital increase through rights issue process which was 99.86% subscribed.

As we enter the second quarter of 2015 with a positive net cash flow, a strong balance sheet and solid growth in all of our business lines, we look forward to our new investments, which should strengthen our position, number and ratios further, upon their successful completion.

Latest Corporate Developments

1) 99.86% of Rights Exercises in LE 960 Mn Capital Increase

In May, GB Auto announced that existing shareholders and purchasers of the tradeable subscription rights, accounting for 99.86% of the company's shares, exercised their right to participate in its LE 960 million capital increase following the expiration of the 30-day subscription period, with the company's paid-in and issued capital set to rise to LE 1.094 billion. The company is now proceeding with regulatory authorities to finalize the issuance of the new ordinary shares resulting from the capital increase.

2) GB Auto Supplies Public Transport Authority in Alexandria with 150 Buses

In light of its strategic plan to promote local industry and encourages citizens to use public transportation, the Egyptian Company for Transportation Manufacturing — a subsidiary of GB Auto — won a tender to supply 150 Marcopolo buses with Volvo chassis for the Public Transport Authority in Alexandria. The buses are known for being of Swedish quality, exhibiting the highest safety standards, and heavy-duty chassis. The tender is a step by the Public Transport Authority to develop the country and solve the traffic crisis through the renovation and replacement of aging buses with new ones.

3) GB Auto and Cisco Join Forces to Drive Information Technology and ICT Education in Egypt

GB Auto and Cisco, an American multinational and the worldwide leader in IT, will be strategically collaborating on major initiatives that will see GB Auto embark on an ongoing project to roll-out the latest Cisco end-to-end technology solutions into its network platform infrastructure and that of all its affiliate and subsidiary companies in order to enhance its offerings to customers and employees throughout the MENA region.

Outlook

"Given the fundamental strengths supporting Egypt's economy, GB Auto sees real growth potential in the Egyptian market and is continuing to invest accordingly."

Given the fundamental strengths supporting Egypt's economy, including a population of 90 million people, a key geographic position and basket of free trade agreements, GB Auto sees real growth potential in the Egyptian market and is continuing to invest accordingly.

In that vein, management has sought and received approval for an LE 960 million capital increase to fund construction of two new facilities. The first will be a wholly-owned plant that will assemble motorcycles and three-wheelers, which management believes to be the first of its kind outside of India for Bajaj. The second will be a new tires manufacturing facility. Both plants will open new opportunities for GB Auto in these fast-growing lines of business.

Management's plans include the exploration of new export vistas in East Africa, North Africa and the Gulf Cooperation Council, marking a significant new development in the company's drive to diversify both revenues and earnings by product line and geography. Moreover, serving clear demand in export markets from Egypt — a fully known market to management which now enjoys political stability and which is becoming a cost-competitive export base as a result of devaluation of the Egyptian pound — will allow the company to mitigate new foreign territory risk while working simultaneously to address risk in Iraq and Algeria, the two most promising of the company's present expansion markets.

In addition to a continual focus on growth and investment in long-term opportunities, management has also stressed efficiency. The company is accustomed to operating in a lean, efficient manner in all aspects of the business — a trait that will serve us well as the country's free trade agreements with the EU and Turkey on imports duties are fully implemented. These agreements have already placed Chinese and Korean vehicles at a disadvantage, and management believes the full implementation of the two partnership agreements could have a substantial negative impact the market. The Government of Egypt appears to recognize the difficult position into which automotive manufacturers and assemblers find themselves, and management is cautiously hopeful that it will take action. Management would welcome any system that offers incentives to domestic industry. That said, GB Auto is looking forward to fairly strong growth of the passenger car market in the coming year.

On the Commercial Vehicles & Construction Equipment line of business, management does not expect significant growth of the tourism market—and therefore the bus segment—until the latter half of the year. However, given the ongoing investment in infrastructure and renewed economic activity, the other divisions in this key line of business are expected to continue their current growth trends.

The other line that management expects notable changes from in 2015 is the After-Sales division. With new outlets opening and the recent uptick in sales of new vehicles, it is considered likely that After-Sales will turn in a particularly strong performance in the coming period, boosting the contribution of the Passenger Cars, Motorcycles & Three-Wheelers and Commercial Vehicles & Construction Equipment.

Tires and Financing Businesses both reported solid performances in 2014, a trend that management anticipates continuing in 2015.

Turning our attention the region, GB Auto continues to view measured risk as worthwhile and remains an investor in long-term growth, not immediate payoffs. Our operations in Algeria and Iraq should be viewed through that lens.

In Algeria, GB Auto is convinced of the long-term potential of this market and has worked to align with Geely to get the right models at the right prices, set up an excellent management team, and establish an effective dealer network. Furthermore, our representations in tires are very warmly received in Algeria. Going forward, management remains watchful of opportunities to deliver a product offering specifically tailored to the Algerian market.

The Iraqi market, as expected and discussed in our previous Earnings Release, began 2015 on a challenging note as a result political and security developments. Although it remains possible that turmoil will remain a feature of the Iraqi market for some time to come, private-sector actors who stay the course throughout the headwinds will be those ideally placed to capture the upswing when the market begins to improve. Furthermore, as we weather this period, management continues to pursue a capital-light approach to in-market expansion that will see it roll out its motorcycle and three-wheeler offering in Iraq and that will also see the company cautiously expand its distribution footprint through rented outlets.

In Libya, the challenging security situation will see GB Auto exit the market. While all inventory still in Libya remains insured, it is possible management will record charges due receivables if it deems the same non-collectable.

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.

GHABBOUR AUTO

Financial Statements

Income Statement

	Three Months Ended		
(LE million)	**1Q14**	**1Q15**	**% Change**
Passenger Cars Revenues	1,992.8	1,930.9	-3.1%
Motorcycles & Three-Wheelers Revenues	249.3	488.6	96.0%
Commercial Vehicles & Construction Equipment Revenues	209.7	453.5	116.2%
Tires Revenues	91.6	82.4	-10.1%
Financing Businesses Revenues	122.8	232.2	89.1%
Other Revenues	1.4	12.6	-
Total Sales Revenues	**2,667.7**	**3,200.3**	**20.0%**
Total Gross Profit	**361.5**	**402.5**	**11.3%**
Gross Profit Margin	*13.6%*	*12.6%*	*-1.0*
Selling and Marketing	-102.3	-113.4	10.8%
Administration Expenses	-61.8	-76.5	23.6%
Other Operating Income (Expenses)	9.1	7.6	-16.1%
Operating Profit	**206.4**	**220.2**	**6.7%**
Operating Profit Margin (%)	*7.7%*	*6.9%*	*-0.9*
Net Provisions and Non-Operating	-10.4	-4.6	-55.4%
EBIT	**196.1**	**215.6**	**10.0%**
EBIT Margin (%)	*7.4%*	*6.7%*	*-0.6*
Foreign Exchange Gains (Losses)	-17.9	-57.8	223.3%
Net Finance Cost	-89.5	-89.4	-0.1%
Earnings Before Tax	**88.7**	**68.4**	**-22.9%**
Income Taxes	-17.2	-21.2	23.7%
Net Profit Before Minority Interest	71.5	47.1	-34.1%
Minority Interest	-23.5	4.9	-121.0%
Net Income	**48.0**	**52.1**	**8.5%**
Net Profit Margin (%)	*1.8%*	*1.6%*	*-0.2*

Balance Sheet

	As Of		
(LE million)	31-Dec-14	31-Mar-15	% Change
Cash	1,177.6	1,478.9	25.6%
Net Accounts Receivable	1,309.0	1,368.6	4.6%
Inventory	2,345.7	2,695.3	14.9%
Assets Held For Sale	313.1	313.1	0.0%
Other Current Assets	833.3	749.4	-10.1%
Total Current Assets	**5,978.7**	**6,605.3**	**10.5%**
Net Fixed Assets	1,829.2	1,864.3	1.9%
Goodwill and Intangible Assets	282.5	289.1	2.3%
Lessor Assets	1,159.7	1,313.8	13.3%
Investment Property	0.6	0.6	-0.1%
Other Long-Term Assets	334.5	357.7	6.9%
Total Long-Term Assets	**3,606.4**	**3,825.4**	**6.1%**
Total Assets	**9,585.1**	**10,430.7**	**8.8%**
Short-Term Notes and Debt	4,144.8	4,308.7	4.0%
Accounts Payable	1,298.3	1,813.1	39.6%
Other Current Liabilities	150.4	178.6	18.8%
Total Current Liabilities	**5,593.5**	**6,300.4**	**12.6%**
Long-Term Notes and Debt	680.9	667.2	-2.0%
Other Long-Term Liabilities	536.8	566.0	5.4%
Total Long-Term Liabilities	**1,217.7**	**1,233.2**	**1.3%**
Minority Interest	**637.8**	**668.7**	**4.8%**
Common Stock	135.3	135.3	0.0%
Shares Held With the Group	-3.3	-3.3	0.0%
Legal Reserve	267.3	277.1	3.7%
Other Reserves	1,066.8	1,126.4	5.6%
Retained Earnings (Losses)	670.0	692.8	3.4%
Total Shareholder's Equity	**2,136.1**	**2,228.4**	**4.3%**
Total Liabilities and Shareholder's Equity	**9,585.1**	**10,430.7**	**8.8%**

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

Shares Outstanding:
135,337,545*

* Following the finalization of the capital increase, shares outstanding will reach 1,094,009,733.

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 Emgrand, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Lassa, Yokohama, Goodyear, Westlake, Triangle, Grandstone, Diamond Back, Diamond Coin, Jumbo, 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

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.