

## GB Auto Reports 4Q & FY15 Results

*Leading auto industry player reports bottom-line growth for the year 2015, despite challenging macroeconomic backdrop and resultant operational difficulties.*

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15 March 2016 — (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 the fourth quarter and full year of 2015, reporting revenues of LE 12,264.7 million for FY15, down 0.5% y-o-y. Net profit rose 34% y-o-y, closing the year at LE 233.1 million, with a net profit margin of 1.9%, an increase of 0.5 percentage points over FY14.

“2015 is the first year to see GB Auto post a drop in its top-line since its IPO in 2007. However, the company’s performance this past year has been impressive, given current circumstances – especially the foreign currency shortage in Egypt,” said GB Auto Chief Executive Officer, Raouf Ghabbour. “The year has been a true testament to our incisive strategy and the competence and depth of our management approach. Moreover, following yesterday’s 14.3% devaluation of the EGP by the CBE, a very bold move in our opinion, we believe that foreign currency policy is on the right track and that the FX shortage will soon be behind us.”

Overall, the Passenger Cars division saw revenues decline by 15.9% y-o-y in FY15 to LE 7,489.9 million from LE 8,909.9 million in the year before, on the back of a 21.2% decrease in sales volumes. The drop was mainly owing to a decrease in revenues from Iraq by half, but also to the impact of the foreign currency deficit in Egypt on import activities.

The Motorcycles & Three-Wheelers line of business showed great resilience in the face of the foreign currency shortage, recording a 49.7% y-o-y increase in FY15 revenues, which stood at LE 1,997.2 million at year’s end.

On the Commercial Vehicles & Construction Equipment front, the LOB remained solid, growing sales overall revenues by 45.5% over FY14 to LE 1,327.9, mainly on the back of increased volumes and revenue from the bus segment. Tires, on the other hand, saw revenues decline by 21.9% y-o-y during the year to reach LE 324.4 million from LE 415.2 million. The division was hit the hardest by the FX blow, as delays in currency allocation made it difficult to meet market demand and cost the company much in demurrages. However, the Tires division began showing signs of recovery starting 4Q15.

Meanwhile, our Financing Businesses reported excellent results, posting a 44.8% increase in overall revenues as compared to 2014, which reached LE 1,046.2 million at the end of the financial year. Our newest financing venture Tasaheel has also recorded promising results during its first quarter in operation, and management is confident it is bound for the same success achieved by GB Capital’s other financing businesses.

“It is my belief that difficult circumstances are when the best opportunities generally arise and we are fully confident we can face these headwinds and use them to our own benefit,” said Ghabbour. “It is in times like these that we must begin to invest and work hard to place ourselves in a position that will allow us to capture greater returns and rewards from the inevitable market rebound.

“I am well aware that we are not out of the woods yet and that the times ahead will come with their own set of challenges,” Ghabbour continued. “Luckily, our experience is vast when it comes to dealing with difficulties and our strategies for current times were developed from that same playbook that successfully carried us through trying times such as Egypt’s first currency crisis in 1981, the global financial crisis of 2009, and the political turbulence that began in 2011. I remain confident in the underlying fundamentals of the Egyptian automotive market now that our economy is on the right track.”

GB Auto is heading into 2016 with five different CKD models compared to only two last year, marking an important milestone in two decades of car assembly operations.

Among key operational highlights this year is GB Auto’s tripartite agreement with Egypt’s Aboul Fotouh Automotive and China’s Chery International, which will see the company become the exclusive distributor of Chery in Egypt. Together, GB Auto and AF Automotive’s combined capacity could reach up to 90,000 vehicles per annum.

Highlights of GB Auto’s 4Q15 results along with management’s analysis of the company’s performance and complete financials are available for download on [ir.ghabbourauto.com](http://ir.ghabbourauto.com)

## Financial Statements

### Income Statement

(LE million)	Three Months Ended			Twelve Months Ended		
	4Q14	4Q15	% Change	FY14	FY15	% Change
Passenger Cars Revenues	2,303.6	1,498.8	-34.9%	8,909.9	7,489.9	-15.9%
Motorcycles & Three-Wheelers Revenues	546.7	485.9	-11.1%	1,334.0	1,997.2	49.7%
Commercial Vehicles & Construction Equipment Revenues	265.5	286.8	8.0%	912.9	1,327.9	45.5%
Tires Revenues	107.0	90.5	-15.4%	415.2	324.4	-21.9%
Financing Businesses Revenues	257.2	294.4	14.5%	722.7	1,046.2	44.8%
Other Revenues	11.6	32.9	184.2%	27.4	79.0	188.6%
<b>Total Sales Revenues</b>	<b>3,491.5</b>	<b>2,689.3</b>	<b>-23.0%</b>	<b>12,322.1</b>	<b>12,264.7</b>	<b>-0.5%</b>
<b>Total Gross Profit</b>	<b>413.5</b>	<b>409.3</b>	<b>-1.0%</b>	<b>1,581.7</b>	<b>1,594.4</b>	<b>0.8%</b>
<i>Gross Profit Margin</i>	<i>11.8%</i>	<i>15.2%</i>	<i>3.4</i>	<i>12.8%</i>	<i>13.0%</i>	<i>0.2</i>
Selling and Marketing	-117.1	-178.9	52.7%	-439.6	-551.9	25.6%
Administration Expenses	-73.4	-69.7	-5.1%	-272.6	-343.7	26.1%
Other Operating Income (Expenses)	26.7	8.9	-66.7%	55.7	33.3	-40.3%
<b>Operating Profit</b>	<b>249.6</b>	<b>169.6</b>	<b>-32.1%</b>	<b>925.2</b>	<b>732.0</b>	<b>-20.9%</b>
<i>Operating Profit Margin (%)</i>	<i>7.1%</i>	<i>6.3%</i>	<i>-0.8</i>	<i>7.5%</i>	<i>6.0%</i>	<i>-1.5</i>
Net Provisions and Non-Operating	-14.2	-39.5	178.4%	-67.8	-69.2	2.1%
FV of Investment Property					87.3	
<b>EBIT</b>	<b>235.4</b>	<b>130.1</b>	<b>-44.7%</b>	<b>857.4</b>	<b>750.2</b>	<b>-12.5%</b>
<i>EBIT Margin (%)</i>	<i>6.7%</i>	<i>4.8%</i>	<i>-1.9</i>	<i>7.0%</i>	<i>6.1%</i>	<i>-0.8</i>
Foreign Exchange Gains (Losses)	-65.7	-60.2	-8.4%	-157.1	-175.4	11.6%
Net Finance Cost	-99.5	-83.8	-15.7%	-374.4	-337.8	-9.8%
<b>Earnings Before Tax</b>	<b>70.2</b>	<b>-13.9</b>	<b>-</b>	<b>325.9</b>	<b>236.9</b>	<b>-27.3%</b>
Income Taxes	-41.6	-4.2	-89.8%	-90.2	-45.4	-49.7%
Net Profit Before Minority Interest	28.6	-18.2	-	235.7	191.5	-18.7%
Minority Interest	3.4	46.3	-	-61.7	41.6	-
<b>Net Income</b>	<b>32.1</b>	<b>28.1</b>	<b>-12.3%</b>	<b>174.0</b>	<b>233.1</b>	<b>34.0%</b>
<i>Net Profit Margin (%)</i>	<i>0.9%</i>	<i>1.0%</i>	<i>0.1</i>	<i>1.4%</i>	<i>1.9%</i>	<i>0.5</i>

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#### Shareholder Information

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

Shares Outstanding:  
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, Chery, 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](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.