



GB Auto Enters Promising Iraqi Automotive Market

A new joint venture will see regional market leader GB Auto distribute Hyundai vehicles in Iraq

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(Cairo, Egypt) — GB Auto (AUTO.CA on the Egyptian Exchange), the leading automotive assembler and distributor in the Middle East and North Africa, announced today that it has concluded an agreement that will see it enter the promising Iraqi automotive market.

"We are absolutely delighted to be entering the Iraqi market through a joint venture with Al-Kasid Group of Companies," said GB Auto Chief Executive Officer Dr. Raouf Ghabbour. "Throughout 2009, we took steps to secure new representations and new markets, of which this agreement is but the most recent."

Al-Kasid holds exclusive rights to distribute Hyundai Motor Company (HMC) products in Iraq, where the market for passenger cars is generally estimated as being in the 120,000 to 150,000 units-per-year range. Through a newly formed joint venture in a Jordanian free zone, a wholly-owned Iraqi subsidiary of the joint venture shall distribute Hyundai vehicles across Iraq. GB Auto will have full responsibility for the day-to-day management, and Al-Kasid will provide existing resources to support the operation. A total sum of US\$ 80 million is being invested in this joint venture, to be named Gabbour Al-Kasid, which is to be owned 50-50 by Al-Kasid and GB Auto.

"Together, we will import and distribute a wide range of Hyundai vehicles and spare parts and build Iraq's leading after-sales service franchise," said Ghabbour, noting that GB Auto estimates the joint venture could generate total sales volumes of as many as 36,000 vehicles within 12 months of its launch.

GB Auto has long experience with Hyundai, for which it is the exclusive assembler, importer and distributor in Egypt. The company sells a wide range of Hyundai passenger cars in both locally assembled (CKD) and fully imported (CBU) formats as well as select Hyundai commercial vehicles.

GB Auto's Egyptian sales and after-sales networks are the largest in Egypt, and the company has been named as Hyundai Motor Company's top distributor in Africa and among its top five globally.

News of GB Auto's move into Iraq comes just weeks after the company announced that it has renewed its right to distribute Mazda passenger cars in Egypt. This comes after some years of Mazda being absent from the Egyptian market due to what were at the time unfavorable tax and customs regimes. In 2009, GB Auto made its first venture into the Algerian market with GB-Allab Remorque, which is distributing trailer bodies designed and manufactured by GB Auto in Egypt.

GB Auto expects Gabbour Al-Kasid to make its first sales in Iraq as early as the second quarter of 2010.

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About GB Auto S.A.E.

GB Auto S.A.E. (Stock Symbol: AUTO.CA) is the leading automotive producer and distributor in the Egyptian market. The company assembles, imports and distributes passenger cars under the Hyundai brand as well as commercial vehicles (buses, trucks and trailers) under the Volvo, Mitsubishi, Hyundai and Ghabbour brands. In addition, it distributes motorcycles and scooters under the Bajaj brand, tires under the Lassa brand and construction equipment under the Volvo brand. The company also operates Egypt's largest network of service centers and automotive accessories sales points as well as passenger and cargo transportation services. GB Auto is headquartered in Giza, Greater Cairo Area, Egypt. (www.ghabbourauto.com)

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