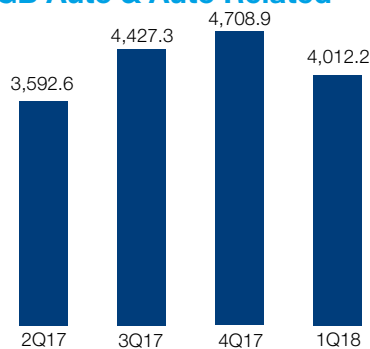


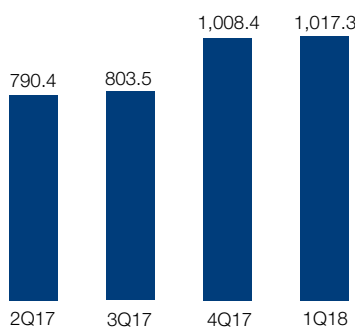
AUTO.CA  
on the Egyptian Exchange

**Revenue Progression**  
(all figures in LE million)

**GB Auto & Auto Related**



**GB Capital**



## GB Auto Reports 1Q18 Results

*Automotive leader achieves strong increase in operating profit vs. 4Q17 in the Auto & Auto Related Division and a forth consecutive increase in profits for GB Capital*

10 May 2018 — (Cairo, Egypt) GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and North Africa and non-bank financial services provider in Egypt, announced today its consolidated results for the first quarter of the full year 2018. The group recorded a net income of LE 33.5 million in 1Q18, driven by strong contributions from both divisions, solidifying the company's position that the automotive industry is experiencing a turnaround and fortifying the Group's undisputed leadership position in the market.

"We are exceptionally proud of our performance for this quarter, which by and large is typically the weakest of the year in terms of volumes," said GB Auto Chief Executive Officer Raouf Ghabbour. "This quarter we have returned the Auto & Auto Related business to meaningful operating profitability. We're no longer talking about keeping the business above water, but about how much we can continue to grow going forward as a transformed operation with two distinct business lines. As we continue to see increased appetite for our passenger car, motorcycle and three-wheeler and automotive-related products, we believe our strategy is set to catapult us back to our historical levels of profitability."

GB Auto Group reversed 4Q17's LE 222.6 million in losses, reporting a LE 33.5 million net profit figure in 1Q18, with consolidated revenues of LE 4,760.8 million. Gross profit for the Group increased 42.1% q-o-q, yielding a gross profit margin of 14.9% versus 9.1% last quarter.

GB Auto & Auto-Related segment's results were positive across the board, with revenues increasing significantly in all business lines compared to the previous year and revenues for the Two- and Three-wheeler division up compared to last quarter. In Passenger Car related segments, volumes are traditionally low in 1Q, which has led to a small revenue decline versus the previous quarter. Automotive-related business lines saw a further sequential increase in their gross profit margins in 1Q18 versus 4Q17. The gross profit margin for the Egypt Passenger Car division increased to 8.7% from 2.4%, Two- and Three-wheelers up marginally to 14.6% from 12.5%, and Commercial Vehicle & Construction Equipment to 15.6% from 13.5% on the back of increased tourism and construction activity in Egypt. Moreover, our Regional business reversed its gross profit margin from -1.5% in the previous quarter to 10.9% in 1Q18.

"Passenger Car volume dipped from 10,030 units in 4Q17 to 6,319 units during the quarter due to the seasonality effect on the segment. However, volumes increased 57.0% and revenues almost doubled y-o-y. In keeping with our commitment to focus on margin recovery during 2018, we managed to increase the Egypt Passenger Car segment's gross profit margin from 2.4% in 4Q17 to 8.7% in 1Q18. With volume for the first quarter typically being low as it is, going forward we see further improvement in units sold," he added.

GB Capital continued its strong performance in 1Q18, posting a revenue figure of LE 748.6 million (after inter-company eliminations), increasing its portfolio outstanding by 7.9% to LE 6.2 billion with NPLs decreasing q-o-q from 1.9% to 1.6%.

“ I am very confident  
of continued quarterly  
financial improvement.”

Looking ahead, Ghabbour noted, "We are now more than ever confident that customers have absorbed price increases as we see unit sales making a strong comeback in almost every automotive line of business GB Auto & Auto related has to offer. The era of reducing inventory and bank debt is behind us; as interest rates come down, we're looking to focus on margin recovery and growth. As for GB Capital, the business continues to do well in a market increasingly looking for financing options, with credit quality remaining excellent. I am very confident of continued quarterly financial improvement."

Highlights of GB Auto Group's 1Q18 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).

## GB Auto 1Q18 Results

### First Quarter 2018 Financial Highlights

- GB Auto Group's total revenues for 1Q18 recorded LE 4,760.8 million, up 60.7% y-o-y compared to LE 2,963.2 million recorded in the same period last year. On a quarterly basis, the top line inched down 13.2% largely due to the seasonal effects of the first quarter of the year in demand for cars in Egypt.
- Gross profit for the Group increased 41.5% y-o-y in 1Q18, and 42.1% q-o-q, marking the third quarter of increases in a row.
- The Group posted a net profit figure of LE 33.5 million, the highest level of the last five quarters.
- EBITDA for GB Auto & Auto Related came in at LE 250.6 million in 1Q18 compared to LE 159.5 million in 4Q17, with an EBITDA margin of 6.2% versus 3.4% in 4Q17.
- GB Capital's net income improved marginally to LE 86.8 million (after NCI).

## Financial Position and Working Capital of Auto & Auto Related

The reductions of excess inventory has been successfully concluded in the last quarter of 2017. During 1Q18 management has held inventory stable despite a slower pace of sale in passenger cars in order to take advantage of the increasing sales of passenger cars expected in 2Q18. With the run rate of sales already increasing during March compared to the beginning of the year, the strategy has already started to bear fruit.

**Table 1: Development of Working Capital of Auto & Auto Related**

		1Q17	2Q17	3Q17	4Q17	1Q18
Inventory	(LE million)	6,800.6	5,281.7	3,771.9	2,991.5	2,971.3
Receivables	(LE million)	1,332.9	1,542.4	1,766.4	1,345.1	1,601.0
Advances	(LE million)	546.7	491.0	1,034.3	683.7	762.7
Payables	(LE million)	2,121.6	1,786.3	1,977.7	1,357.7	2,002.3
Working Capital	(LE million)	6,558.6	5,528.8	4,594.9	3,662.6	3,332.7

Management considers only the net debt of the Auto and Auto Related business as the relevant figure for the operations of the Group and the key yardstick by which shareholders evaluate performance as the debt related to GB Capital is a direct function of the division's portfolio size and is more than fully backed by the assets and receivables held by GB Capital. In relation to GB Auto & Auto Related debt, management is still targeting a reduction in its finance costs by keeping the debt level as low as possible. We are very pleased with the 1% easing in rates that occurred in February 2018, as well as another 1% at the end of March 2018. We expect further cuts as inflation figures come in lower toward the end of the year.

**Table 2: Development of Auto and Auto Related Net Debt**

		1Q17	2Q17	3Q17	4Q17	1Q18
Total Debt	(LE million)	7,379.4	6,630.4	5,674.9	5,200.1	5,487.9
Cash	(LE million)	811.0	1,155.0	839.5	1,069.4	1,217.8
Net Debt	(LE million)	6,568.4	5,475.4	4,835.4	4,130.7	4,270.1

**Table 3: Net Debt Development**

(LE million)	1Q18
<b>Auto And Auto Related Cash At The Beginning Of The Period</b>	<b>1,069.4</b>
Effect Of FX Rates	2.6
Net Increase In Cash During The Period	145.8
<b>Auto And Auto Related Cash At End Of The Period</b>	<b>1,217.8</b>
<b>Auto And Auto Related Total Debt At End Of The Period</b>	<b>5,487.9</b>
Less: Due From Related Parties - Inter-Segment	-336.2
Less: Auto And Auto Related Cash At End Of The Period	-1,217.8
<b>Auto And Auto Related Net Debt At End Of The Period</b>	<b>3,933.9</b>

**Table 4: Development of Key Financials of Auto and Auto Related**

(LE million)	4Q17	1Q18	% Change
Total revenues	4,708.9	4,012.2	-14.8%
Cost of sales	-4,414.7	-3,523.5	-20.2%
<b>Gross Profit</b>	<b>294.3</b>	<b>488.7</b>	<b>66.1%</b>
General, selling and administrative expenses	-306.6	-349.9	14.1%
Other operating income	53.5	39.3	-26.6%
Provisions (Net)	-111.8	29.6	-
<b>Operating profit</b>	<b>-70.6</b>	<b>207.7</b>	<b>-</b>
Finance cost / income	-286.4	-249.1	-13.1%
FOREX	36.9	2.3	-93.9%
<b>Net profit / (loss) before tax</b>	<b>-320.2</b>	<b>-39.1</b>	<b>n/m</b>
Income tax	-26.4	1.9	-
<b>Net profit / (loss) after tax and before NCI</b>	<b>-346.6</b>	<b>-37.3</b>	<b>n/m</b>
NCI	-37.2	17.1	-
<b>Net profit / (loss) after NCI</b>	<b>-309.4</b>	<b>-54.4</b>	<b>n/m</b>

Table 5: Key Ratios

(LE million)		1Q18
Net Debt / Equity*	Units	1.11
Total Liabilities Less Cash / Equity	Units	2.01
Current Ratio	Units	1.03
Net Debt / EBITDA	Units	3.92
EBITDA / Finance Cost	Units	1.01
Capital Employed **	LE million	6,622.7
ROCE ***	%	13%
ROE Of GB Auto (Auto And Auto Related) Towards Group Pre Forex ^	%	-8%

\* Net Debt for segments = (short term debt + long term debt + due to related parties - inter-segment ) - Cash and cash equivalents including due from related parties - inter-segment

\*\* Capital employed for segments = (property, plant and equipment + Intangible assets and goodwill + Investment property + inventories + Trade receivables + Debtors and other debit balance) - (Trade payables + Other current liabilities)

\*\*\* ROCE for segments = EBIT of A&AR 1Q18 / capital employed in 1Q18

^ RoE of GB Auto (Auto and auto related) towards Group pre FOREX = (Net profit / (loss) after NCI - FOREX) / Total shareholders' equity before NCI

Table 6: Segregated Income Statement by Segment

	1Q18			
(LE million)	GB Auto (Auto & Auto Related)	GB Capital (Financing Business)	Elimination	GB Auto Consolidation
Revenues	3,792.1	968.7	-	4,760.8
Inter-Segment Revenues	220.1	48.6	-268.7	-
<b>Total Revenues</b>	<b>4,012.2</b>	<b>1,017.3</b>	<b>-268.7</b>	<b>4,760.8</b>
Cost Of Sales	-3,302.9	-750.2	-	-4,053.2
Inter-Segment Cost Of Sales	-220.6	-55.0	275.6	-
Cost Of Sales	<b>-3,523.5</b>	<b>-805.3</b>	<b>275.6</b>	<b>-4,053.2</b>
<b>Gross Profit</b>	<b>488.7</b>	<b>212.0</b>	<b>6.9</b>	<b>707.6</b>
General, Selling And Administrative Expenses	-349.9	-87.5	39.5	-397.9
Other Operating Income	39.3	5.4	-13.5	31.2
Provisions (Net)	29.6	-10.2	-	19.4
<b>Operating Profit</b>	<b>207.7</b>	<b>119.7</b>	<b>32.9</b>	<b>360.3</b>
Finance Cost / Income	-249.1	-0.5	-32.8	-282.4
Forex	2.3	-1.4	-	0.9
<b>Net Profit / (Loss) Before Tax</b>	<b>-39.1</b>	<b>117.9</b>	<b>-</b>	<b>78.8</b>
Income Tax	1.9	-18.5	-	-16.7
<b>Net Profit / (Loss) After Tax And Before NCI</b>	<b>-37.3</b>	<b>99.3</b>	<b>-</b>	<b>62.1</b>
NCI	17.1	12.5	-1.0	28.6
<b>Net Profit / (Loss) After NCI</b>	<b>-54.4</b>	<b>86.8</b>	<b>1.0</b>	<b>33.5</b>

Eliminations of inter-segment items compose of trading of Auto and Auto related, Leased items as well as reclassification between cost of sales and finance cost for consistent application of consolidation procedure of the group

Historical data for GB Auto Group's segregated financials can be downloaded at [ir.ghabbourauto.com/fundamentals](http://ir.ghabbourauto.com/fundamentals)

**Table 7: Segregated Balance Sheet by Segment**

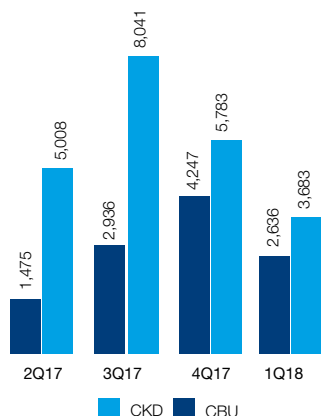
As of 31 March 2018				
(LE million)	GB Auto (Auto & Auto Related)	GB Capital (Financing Business)	Elimination	GB Auto Consolidation
Property Plant And Equipment	2,796.6	3,175.3	-225.6	5,746.2
Intangible Assets And Goodwill	428.2	1.0	-	429.2
Payment Under Investments	6.5	-	-	6.5
Investments In Subsidiaries (GB Capital)	327.2	-	-327.2	-
Notes Receivable	50.5	1,047.5	-	1,097.9
Other Debit Balance	3.9	-	-	3.9
Other Debit Balance - Inter-Segment	78.4	-	-78.4	-
Investments Property	90.9	-	-	90.9
Deferred Tax Assets	289.5	2.9	-	292.4
<b>Non Current Assets</b>	<b>4,071.7</b>	<b>4,226.7</b>	<b>-631.3</b>	<b>7,667.1</b>
Inventories	2,971.3	38.6	-	3,010.0
Trade Receivables	1,550.5	1,957.3	-	3,507.8
Advance Payments To Suppliers	762.7	6.7	-	769.3
Debtors & Other Debit Balance	821.7	61.9	-	883.5
Debtors & Other Debit Balance - Inter-Segment	5.6	-	-5.6	-
Due From Related Parties	103.5	12.0	-	115.5
Due From Related Parties - Inter-Segment	336.2	6.6	-342.8	-
Cash And Cash Equivalents	1,217.8	277.0	-	1,494.9
<b>Current Assets</b>	<b>7,769.4</b>	<b>2,360.0</b>	<b>-348.4</b>	<b>9,781.0</b>
<b>Total Assets</b>	<b>11,841.1</b>	<b>6,586.7</b>	<b>-979.7</b>	<b>17,448.1</b>
Share Capital	1,094.0	318.0	-318.0	1,094.0
Legal Reserves	297.1	38.7	0.3	336.0
Private Reserve	2,449.6	3.9	-3.9	2,449.6
Accumulated Profit (Losses)	-1,328.4	509.3	3.2	-815.9
Net Income / (Loss) For The Period	-54.4	86.8	1.0	33.5
<b>Total Shareholders' Equity Before NCI</b>	<b>2,457.9</b>	<b>956.6</b>	<b>-317.3</b>	<b>3,097.2</b>
Total NCI	1,076.9	121.2	-10.9	1,187.3
<b>Total Equity</b>	<b>3,534.8</b>	<b>1,077.9</b>	<b>-328.2</b>	<b>4,284.5</b>
Trade Payables	2,002.3	222.3	-	2,224.7
Deferred Revenue - Inter-Segment	47.7	-	-47.7	-
Loans And Overdraft	5,241.8	2,284.7	-	7,526.6
Due To Related Parties	69.0	0.8	-	69.8
Due To Related Parties - Inter-Segment	-	342.8	-342.8	-
Provision	149.3	67.5	-	216.7
Other Current Liabilities	34.1	70.0	-	104.2
<b>Total Current Liabilities</b>	<b>7,544.3</b>	<b>2,988.2</b>	<b>-390.5</b>	<b>10,142.0</b>
Loans	246.1	2,507.0	-	2,753.1
Provision	39.3	-	-	39.3
Deferred Revenue	75.7	-	-	75.7
Deferred Revenue - Inter-Segment	261.0	-	-261.0	-
Trade And Notes Payable	-	1.0	-	1.0
Deferred Tax Liabilities	140.0	12.7	-	152.7
<b>Total Non Current Liabilities</b>	<b>762.0</b>	<b>2,520.7</b>	<b>-261.0</b>	<b>3,021.7</b>
<b>Total Equity And Liabilities</b>	<b>11,841.1</b>	<b>6,586.7</b>	<b>-979.7</b>	<b>17,448.1</b>

Historical GB Auto Group segregated financials can be downloaded at [ir.ghabbourauto.com/fundamentals](http://ir.ghabbourauto.com/fundamentals)

**Table 8: Cash Flow Statement for GB Auto (Auto & Auto Related)**

(LE thousand)	4Q17	1Q18
<b>Cash Flows From Operating Activities</b>		
Net (Loss) / Profit Before Tax	-320.3	-39.1
<b>Adjustments:</b>		
Interest Expense	284.6	279.9
Depreciation And Amortization	48.2	43.0
ESOP Cost	0.6	-
Provisions - Net	101.5	-16.5
Impairment In Current Assets - Net	85.9	-43.3
Interest Income	-15.3	-11.6
Interest Expense Capitalized On Property, Plant And Equipment	-12.8	-14.7
Un-Realized FOREX Loss	2.7	5.6
Loss From Sale Of Shared Held By The Group	-	-
Impairment of Expense for Fixed Assets	-	-
Impairment Expense Of Assets Held For Sale	-	-
Gain On Sale Of PP&E And Assets Held For Sale	-17.7	-2.0
<b>Operating Cash Flow Before Changes In Working Capital</b>	<b>157.5</b>	<b>201.2</b>
<b>Changes In Working Capital</b>		
Inventories	725.4	63.7
Trade Receivables	394.1	-229.4
Debtors And Other Debit Balances	384.5	-359.3
Due From Related Parties	-38.8	-9.9
Due To Related Parties	15.7	-21.3
Due From Related Parties - Inter-Segment	155.1	-10.1
Due to related parties - inter-segment	-4.5	-
Trade Payables And Other Credit Balances	-586.7	561.9
Provisions Used	-52.1	-10.2
<b>Cash Flow (Integrated From) Operating Activities</b>	<b>1,150.2</b>	<b>171.7</b>
Income Tax Paid During The Period	-45.8	-0.3
<b>Net Cash Flow (used in) Operating Activities</b>	<b>1,104.4</b>	<b>171.5</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of property, plant and equipment	-97.0	-37.5
Purchase of projects under constructions	-24.3	-62.6
Purchase of intangible assets	0.8	-
Interest received	22.9	11.2
Payment for Investment	-0.8	-
Proceeds from sale of property, plant and equipment	21.2	0.9
<b>Net Cash Flow (used in)/generated from Investing Activities</b>	<b>-77.1</b>	<b>-88.1</b>
<b>Cash Flows From Financing Activities</b>		
Loans And Borrowings	-510.5	287.9
Interest Paid	-292.4	-230.1
Proceed From Sale Of Shares Held By The Group	-	-
Paid from minority to increase capital of subsidiaries	-	-
<b>Net Cash Flow Generated From Financing Activities</b>	<b>-802.9</b>	<b>57.8</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>224.3</b>	<b>155.9</b>
Cash And Cash Equivalents At Beginning Of The Period	839.5	1,069.4
Translation Differences	5.6	-7.5
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>1,069.4</b>	<b>1,217.8</b>

## Breakdown of Units Sold



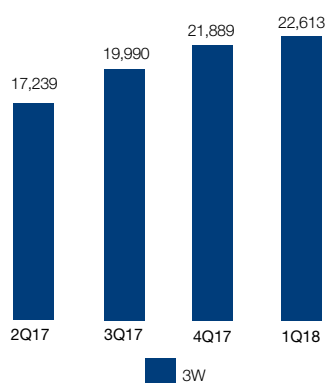
## Egypt Passenger Cars

- GB Auto was successful in maintaining its market leadership for the PC market which hit 25.5% during the quarter, including Hyundai, Geely, Mazda, and Chery, compared to 19.2% in 1Q17.
- Due to the seasonality effect, total passenger car market volumes fell 22.6% compared to 4Q17, with GB Auto revenues falling 36.2% to LE 1,566.7 million for the segment. However, the top line gained 77.0% versus the same period last year with the market showing clear signs of recovery.
- Price increases were absorbed by customers and the overall mix improved as can be seen from the increase in gross profit margins compared to the previous quarter.

Table 9: Egypt Passenger Cars Sales Activity

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
CBU Sales Volume (Hyundai)	(Units)	3,959	2,483	-37.3%	1,212	2,483	-
CBU Sales Volume (Geely)	(Units)	101	1	-99.0%	2	1	-50.0%
CBU Sales Volume (Mazda)	(Units)	187	152	-18.7%	191	152	-20.4%
CKD Sales Volume (Hyundai)	(Units)	4,327	2,944	-32.0%	1,497	2,944	96.7%
CKD Sales Volume (Chery)	(Units)	1,058	655	-38.1%	706	655	-7.2%
CKD Sales Volume (Karry)	(Units)	-	79	-	110	79	-28.2%
CKD Sales Volume (Geely)	(Units)	399	5	-98.7%	308	5	-98.4%
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>10,030</b>	<b>6,319</b>	<b>-37.0%</b>	<b>4,026</b>	<b>6,319</b>	<b>57.0%</b>
<b>Total Sales Revenue</b>	<b>(LE million)</b>	<b>2,455.7</b>	<b>1,566.7</b>	<b>-36.2%</b>	<b>885.3</b>	<b>1,566.7</b>	<b>77.0%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>58.0</b>	<b>137.0</b>	<b>-</b>	<b>125.0</b>	<b>137.0</b>	<b>9.6%</b>
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>2.4%</i>	<i>8.7%</i>	<i>6.3</i>	<i>14.1%</i>	<i>8.7%</i>	<i>-5.4</i>

## Breakdown of Units Sold



## Egypt Motorcycles & Three-Wheelers

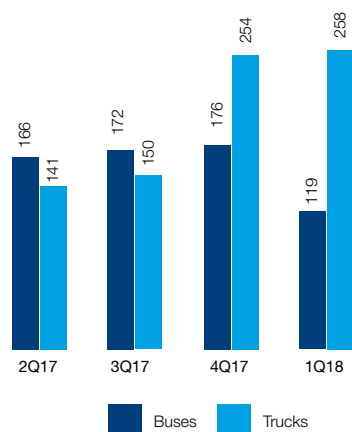
- The division continued to enjoy strong demand. Revenue grew 94.6% y-o-y and 8.6% q-o-q to LE 740.5 million in 1Q18.
- Volumes were up q-o-q and y-o-y, selling a total of 27,191 units during the quarter. The division showed a strong operating leverage and was able to pass on price increases, which resulted in a significant increase in GP margins compared to 4Q17.
- Two-Wheeler volumes surged, setting the segment up to return to historical levels due to the manufacturing of chassis, which began in the previous quarter.
- The company's components manufacturing facility (Badr Factory) for motorcycles and three wheelers has officially been completed, which is set to play in favor of the division in the quarters to come.
- The business benefits from its strong partnership with GB Capital's Mashroey, which offers asset based lending for three-wheelers.

Table 10: Egypt Motorcycle & Three-Wheeler Sales Activity

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
Three-Wheeler Sales Volume	(Units)	21,889	22,613	3.3%	11,389	22,613	98.6%
Tricycles Sales Volume	(Units)	1,810	1,345	-25.7%	1,152	1,345	16.8%
Motorcycle Sales Volume	(Units)	772	3,233	-	3,901	3,233	-17.1%
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>24,471</b>	<b>27,191</b>	<b>11.1%</b>	<b>16,442</b>	<b>27,191</b>	<b>65.4%</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>681.8</b>	<b>740.5</b>	<b>8.6%</b>	<b>380.5</b>	<b>740.5</b>	<b>94.6%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>85.3</b>	<b>108.3</b>	<b>27.0%</b>	<b>28.8</b>	<b>108.3</b>	<b>-</b>
<i>Gross Profit Margin</i>	<i>(%)</i>	<i>12.5%</i>	<i>14.6%</i>	<i>2.1</i>	<i>7.6%</i>	<i>14.6%</i>	<i>7.0</i>



## Breakdown of Units Sold



## Egypt Commercial Vehicles & Construction Equipment

- Revenues for the segment were up 15.3% y-o-y in 1Q18 on the back of 33.5% y-o-y volume growth. Gross profit increased 7.5% q-o-q on the back of a margin increase of 210 bps.
- The segment was buoyed by increased activity in the trailer and tractor divisions and helped by increased tourism demand for buses and rising demand for trucks as customers begin to absorb price increases and ramp up construction activity.
- The segment is poised for significant growth as key heavy truck, tourism, and intercity contracts come to fruition.

**Table 11: Egypt Commercial Vehicles & Construction Equipment (CV&CE) Sales Activity**

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
Bus Sales Volume	(Units)	176	119	-32.4%	128	119	-7.0%
Truck Sales Volume	(Units)	254	258	1.6%	205	258	25.9%
Tractor Sales Volume	(Units)	-	44	-	8	44	-
Trailer Sales Volume	(Units)	40	91	-	47	91	93.6%
Construction Equipment Sales Volume	(Units)	45	34	-24.4%	21	34	61.9%
<b>Total Sales Volume</b>	<b>(Units)</b>	<b>515</b>	<b>546</b>	<b>6.0%</b>	<b>409</b>	<b>546</b>	<b>33.5%</b>
<b>Sales Revenue</b>	<b>(LE million)</b>	<b>336.1</b>	<b>313.3</b>	<b>-6.8%</b>	<b>271.7</b>	<b>313.3</b>	<b>15.3%</b>
<b>Gross Profit</b>	<b>(LE million)</b>	<b>45.4</b>	<b>48.8</b>	<b>7.5%</b>	<b>51.7</b>	<b>48.8</b>	<b>-5.7%</b>
Gross Profit Margin	(%)	13.5%	15.6%	2.1	19.0%	15.6%	-3.4

## Egypt After-Sales Line of Business

- Egypt After sales revenues dipped slightly during the period due to a decrease in the beginning of the year, in line with seasonal slowdowns, across the different automotive lines of businesses.
- GB Auto is pressing on with plans to expand its workshop network, looking to open centers in Minya, Aswan, Tanta, Marsa Matrouh and Damietta within the next two years. Plans are also underway to construct a truck and bus workshop in Abu Rawash.

**Table 12: Egypt After-Sales**

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
Passenger Car Egypt After-Sales Revenue	(LE million)	175.7	166.7	-5.1%	163.1	166.7	2.2%
Motorcycle & Three-Wheeler After-Sales Revenue	(LE million)	46.6	44.3	-4.9%	31.7	44.3	39.8%
CV&CE After-Sales Revenue	(LE million)	56.6	49.5	-12.5%	44.3	49.5	11.7%
<b>Total Egypt After-Sales Revenue</b>	<b>(LE million)</b>	<b>278.9</b>	<b>260.5</b>	<b>-6.6%</b>	<b>239.1</b>	<b>260.5</b>	<b>8.9%</b>
<b>Total Egypt After-Sales Gross Profit</b>	<b>(LE million)</b>	<b>69.6</b>	<b>68.3</b>	<b>-2.0%</b>	<b>77.4</b>	<b>68.3</b>	<b>-11.8%</b>
Total Egypt After-Sales Gross Profit Margin	(%)	25.0%	26.2%	1.2	32.4%	26.2%	-6.2



## Egypt Tires Line of Business

- Tires performed exceptionally well during the quarter, posting gains in both revenues and gross profit. Revenues for the quarter rose 78.1% y-o-y to LE 179.7 million and gross profit 78.4% y-o-y to LE 33.2 million.
- Management anticipates the division will continue to do well in the quarters to come as truck tire sales ramp up.
- In 1Q18, the Tires division began distributing Turkish-made tuk-tuk tires, a profitable segment where the company expects to leverage its strong market position. With the aim of sustaining its growth in the truck-bus radial segment, the Tires division also commercialized Pirelli and Pharos Truck tires during the quarter, with negotiations underway with other major potential partners.

**Table 13: Tires Sales Activity – Egypt**

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
<b>Total Sales Revenues</b>	<b>(LE million)</b>	<b>198.6</b>	<b>179.7</b>	<b>-9.5%</b>	<b>100.9</b>	<b>179.7</b>	<b>78.1%</b>
<b>Total Gross Profit</b>	<b>(LE million)</b>	<b>40.6</b>	<b>33.2</b>	<b>-18.1%</b>	<b>18.6</b>	<b>33.2</b>	<b>78.4%</b>
Gross Margin	(%)	20.4%	18.5%	-1.9	18.5%	18.5%	-

## Regional

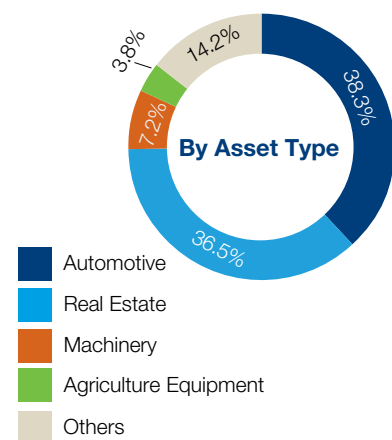
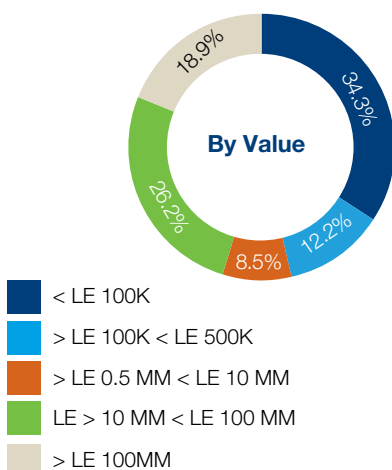
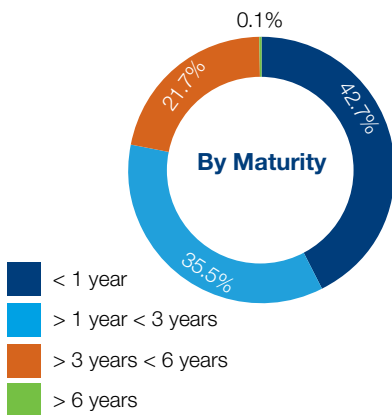
- Revenues from regional operations grew two-fold y-o-y in 1Q18 to LE 843.0 million on the back of Iraqi operations turning to profitability and improved volumes for both passenger cars, motorcycles and three-wheelers.
- Passenger cars in Iraq delivered solid top-line performance, with revenues hitting LE 610.4 million on higher volumes. The company sold 2,496 units in 1Q18 compared to 1,976 in 4Q17 and 854 in 1Q17.
- Iraq Two- and Three-Wheelers showed remarkable volume growth, selling 3,804 units in 1Q18, up 55.6% versus 4Q17.
- Management remains optimistic about the division's prospects for 2018 as it seeks to replicate the success of its home market in the country.

**Table 14A: Total Sales Activity from Regional Operations**

		4Q17	1Q18	% Change	1Q17	1Q18	% Change
<b>Total Regions Revenue</b>	<b>(LE million)</b>	<b>673.0</b>	<b>843.0</b>	<b>25.2%</b>	<b>417.8</b>	<b>843.0</b>	<b>-</b>
<b>Total Regions Gross Profit</b>	<b>(LE million)</b>	<b>-10.4</b>	<b>92.3</b>	<b>-</b>	<b>39.8</b>	<b>92.3</b>	<b>-</b>
<b>Total Regions Gross Margin</b>	<b>(%)</b>	<b>-1.5%</b>	<b>10.9%</b>	<b>12.4</b>	<b>9.5%</b>	<b>10.9%</b>	<b>1.4</b>

## GB Capital Portfolio Breakdown

(As of December 2017)



## GB Capital (Financing Businesses)

- GB Capital posted another quarter of strong results, delivering LE 1,017.3 million in revenues in 1Q18, up 30.6% y-o-y.
- GB Capital continues to outperform and deliver a solid performance, with Annualized ROAE at 38.0% and Annualized ROAA of 23.0%, ahead of cost of capital.
- GB Capital continued to maintain a healthy loan portfolio quality, with Non-Performing Loans (NPLs) at 1.6% and an NPL coverage ratio of 145.6%.
- GB Capital's loans/receivables portfolio recorded 7.9% growth in 1Q18 to LE 6.2 billion compared to 5.7 billion in 4Q17 with portfolio health and quality remaining solid and intact.
- Exposure related to GB Auto accounts for less than c.10.5% of GB Capital's loans/receivables portfolio.
- GB Capital's model is built on the companies' ability to obtain leverage against their lending portfolios. GB Capital companies remain strongly under-leveraged compared to industry norms and regulatory caps which, in light of the nature of the business, allow the companies to borrow up to 8x shareholders' equity for GB Lease and Drive, and up to 10x shareholders' equity for Tasaheel. Standard total leverage for GB Capital stood at 4.45x as of 31 March 2018, compared to 4.51x in 4Q17 and 3.53x, versus 3.55x in 4Q17 as per the regulator's definition (calculated as non-current bank debt to equity for the leasing and factoring business, while all other activities are calculated based on the total bank debt, as per the Financial Regulatory Authority [FRA] requirements).
- GB Capital related companies' debt stood at LE 4.7 billion as of 31 March 2018, with debt levels expected to continue rising as the company funds its growing operations. GB Capital's assets and debts are well matched by tenor.
- GB Lease** maintained its strong performance in 1Q18 compared to 4Q17, with total revenues coming in at LE 257.7 million.
- Mashroey** recorded a 15.1% increase in q-o-q revenues to LE 305.0 million for 1Q18. The company maintains a healthy portfolio and an extensive product base. It operates a nationwide network of 120+ branches and units.
- Drive** posted a top line of LE 324.9 million, down 15.1% y-o-y on the back of the low seasonality of the PC market in the first quarter of the year.
- Haram Tourism Transport "HTT"** showed excellent growth, with a 18.2% q-o-q increase in revenue for 1Q18 to LE 14.2 million.
- Tasaheel** recorded a 25.5% q-o-q increase in revenues to LE 115.4 million. It operates a nationwide network of 130 branches; with plans to further substantially expand its branch network.
- GB Lease, Drive, and Tasaheel are regulated by and operate under the auspices of FRA.

**Table 15: Income Statement Analysis for GB Capital (Financing Businesses)**

(LE million)	4Q17	1Q18	% Change	1Q17	1Q18	% Change
Revenues	637.6	609.3	-4.4%	546.7	609.3	11.5%
Interest Income	370.8	408.0	10.0%	232.1	408.0	75.8%
<b>Total Revenues</b>	<b>1,008.4</b>	<b>1,017.3</b>	<b>0.9%</b>	<b>778.8</b>	<b>1,017.3</b>	<b>30.6%</b>
Cost of Sales	-580.8	-565.1	-2.7%	-515.1	-565.1	9.7%
Cost of Funds	-232.2	-240.2	3.4%	-128.8	-240.2	86.5%
<b>Total Cost of Revenues</b>	<b>-813.0</b>	<b>-805.3</b>	<b>-1.0%</b>	<b>-643.9</b>	<b>-805.3</b>	<b>25.1%</b>
<b>Gross Profit</b>	<b>195.4</b>	<b>212.0</b>	<b>8.5%</b>	<b>134.9</b>	<b>212.0</b>	<b>57.2%</b>
SG&A	-65.7	-87.5	33.0%	-58.0	-87.5	50.8%
Provisions	-14.9	-10.2	-31.4%	-13.8	-10.2	-25.6%
<b>Operating Profit</b>	<b>114.7</b>	<b>114.3</b>	<b>-0.3%</b>	<b>63.1</b>	<b>114.3</b>	<b>81.2%</b>
Other Income	5.1	5.4	5.6%	2.2	5.4	-
<b>EBIT</b>	<b>119.8</b>	<b>119.7</b>	<b>-0.1%</b>	<b>65.3</b>	<b>119.7</b>	<b>83.4%</b>
Other Interest & similar income	1.4	-0.5	-	1.2	-0.5	-
FOREX	-1.5	-1.4	-12.0%	-1.7	-1.4	-19.2%
<b>EBT</b>	<b>119.7</b>	<b>117.9</b>	<b>-1.6%</b>	<b>64.8</b>	<b>117.9</b>	<b>81.7%</b>
Income Tax	-20.7	-18.5	-10.3%	-10.9	-18.5	70.2%
<b>Profit after Tax &amp; before NCI</b>	<b>99.1</b>	<b>99.3</b>	<b>0.3%</b>	<b>54.0</b>	<b>99.3</b>	<b>84.1%</b>
NCI	12.4	12.5	0.4%	5.7	12.5	-
<b>Net Profit after Tax &amp; NCI</b>	<b>86.6</b>	<b>86.8</b>	<b>0.2%</b>	<b>48.2</b>	<b>86.8</b>	<b>80.1%</b>
<b>Breakdown of Revenue by Company:</b>						
GB Lease	256.5	257.7	0.5%	178.7	257.7	44.2%
Drive	382.9	324.9	-15.1%	370.6	324.9	-12.3%
Mashroey	265.0	305.0	15.1%	180.4	305.0	69.1%
Tasaheel	91.9	115.4	25.5%	39.3	115.4	-
Haram	12.0	14.2	18.2%	9.8	14.2	44.9%
<b>Total</b>	<b>1,008.4</b>	<b>1,017.3</b>	<b>0.9%</b>	<b>778.8</b>	<b>1,017.3</b>	<b>30.6%</b>

**Table 16: Supplementary Financial Information - GB Capital**

	As of 31 Mar. 2018	
<b>Net Portfolio Assets</b>	<b>(LE million)</b>	<b>6,222.4</b>
Debt / Equity	x	4.45x
Debt / Equity - Regulator Definition (non current debt to equity)	x	3.53x
Equity / Loan Portfolio	%	17.3%
Annualized Return on Average Equity (ROAE) - Excluding NCI *	%	38.0%
Annualised ROAA [Annualised the period EBIT pre funding costs after tax / average assets of period]	%	23.0%
Annualized net interest margin (%) [(interest income - interest expense) for the last quarter X 4 / average portfolio size for the quarter]	%	11.2%
<b>Provision for portfolio:</b>		
Provision (BS) / Loan portfolio %	%	2.41%
Provision (BS) / NPL % (Coverage ratio)	%	145%
NPL / Loan portfolio %	%	1.66%

\* Annualized ROAE is calculated as the net profit -after NCI- for the period ending March 31,2018 multiplied by 4 , then divided by the average of shareholders equity -excluding NCI- for the average periods of Dec. 2017 & March 2018.

## GB Auto Group Financial Statements

### Income Statement

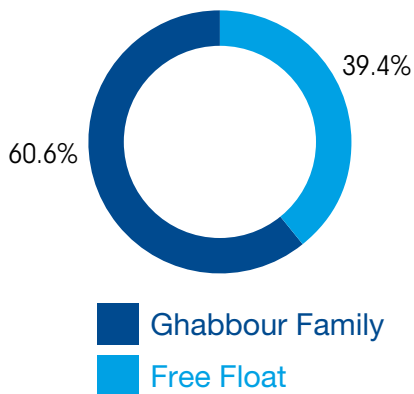
(LE million)	Quarterly Progression			Three Months Ended		
	4Q17	1Q18	% Change	1Q17	1Q18	% Change
Egypt Passenger Cars Revenues	2,455.7	1,566.7	-36.2%	885.3	1,566.7	77.0%
Egypt Motorcycles & Three-Wheelers Revenues	681.8	740.5	8.6%	380.5	740.5	94.6%
Egypt Commercial Vehicles & Construction Equipment Revenues	336.1	313.3	-6.8%	271.7	313.3	15.3%
Egypt Tires Revenues	198.6	179.7	-9.5%	100.9	179.7	78.1%
GB Capital (Financing Businesses) Revenues	774.3	748.6	-3.3%	597.6	748.6	25.3%
Egypt After-Sales Revenues	278.9	260.5	-6.6%	239.1	260.5	8.9%
Regional Revenues	673.0	843.0	25.3%	417.8	843.0	-
Others Revenues	85.3	108.5	27.2%	70.2	108.5	54.4%
<b>Total Sales Revenues</b>	<b>5,483.7</b>	<b>4,760.8</b>	<b>-13.2%</b>	<b>2,963.2</b>	<b>4,760.8</b>	<b>60.7%</b>
<b>Gross Profit</b>						
Egypt Passenger Cars Gross Profits	58.0	137.0	-	125.0	137.0	9.6%
Egypt Motorcycles & Three-Wheelers Gross Profits	85.3	108.3	27.0%	28.8	108.3	-
Egypt Commercial Vehicles & Construction Equipment Gross Profits	45.4	48.8	7.5%	51.7	48.8	-5.7%
Egypt Tires Gross Profits	40.6	33.2	-18.1%	18.6	33.2	78.4%
GB Capital (Financing Businesses) Gross Profits	195.1	206.0	5.6%	144.6	206.0	42.4%
Egypt After-Sales Gross Profits	69.6	68.3	-2.0%	77.4	68.3	-11.8%
Regional Gross Profits	-10.4	92.3	-	39.8	92.3	-
Others Gross Profits	14.3	13.6	-5.0%	14.0	13.6	-2.8%
<b>Total Gross Profit</b>	<b>497.9</b>	<b>707.6</b>	<b>42.1%</b>	<b>500.1</b>	<b>707.6</b>	<b>41.5%</b>
Gross Profit Margin	9.1%	14.9%	5.8	16.9%	14.9%	-2.0
Selling and Marketing	-220.0	-260.4	18.4%	-204.5	-260.4	27.3%
Administration Expenses	-110.8	-137.5	24.1%	-90.3	-137.5	52.3%
Other Income (Expenses)	45.1	31.2	-30.7%	16.0	31.2	95.0%
<b>Operating Profit</b>	<b>212.2</b>	<b>340.9</b>	<b>60.7%</b>	<b>221.3</b>	<b>340.9</b>	<b>54.1%</b>
Operating Profit Margin (%)	3.9%	7.2%	3.3	7.5%	7.2%	-0.3
Net Provisions and Non-Operating FV of Investment Property	-127.2	19.4	-	-16.6	19.4	-
<b>EBIT</b>	<b>85.0</b>	<b>360.3</b>	<b>-</b>	<b>204.7</b>	<b>360.3</b>	<b>76.0%</b>
EBIT Margin (%)	1.5%	7.6%	6.1	6.9%	7.6%	0.7
Foreign Exchange Gains (Losses)	34.6	-0.2	-	-104.5	-0.2	-99.8%
Net Finance Cost	-320.7	-281.3	n/m	-277.8	-281.3	1.3%
<b>Earnings Before Tax</b>	<b>-201.2</b>	<b>78.8</b>	<b>-</b>	<b>-177.6</b>	<b>78.8</b>	<b>-</b>
Income Taxes	-47.0	-16.7	-64.4%	13.8	-16.7	-
Net Profit / Loss Before Minority Interest	-248.2	62.1	-	-163.7	62.1	-
Minority Interest	25.6	-28.6	-	9.2	-28.6	-
<b>Net Income/Loss</b>	<b>-222.6</b>	<b>33.5</b>	<b>-</b>	<b>-154.5</b>	<b>33.5</b>	<b>-</b>
Net Profit Margin (%)	-4.1%	0.7%	4.8	-5.2%	0.7%	5.9

## Balance Sheet

(LE million)	As Of		
	30-Dec-17	31-Mar-18	% Change
Cash	1,242.8	1,494.9	20.3%
Net Accounts Receivable	2,972.2	3,507.8	18.0%
Inventory	3,012.8	3,010.0	-0.1%
Other Current Assets	1,375.2	1,768.4	28.6%
<b>Total Current Assets</b>	<b>8,603.0</b>	<b>9,781.0</b>	<b>13.7%</b>
Net Fixed Assets	2,517.4	2,595.4	3.1%
Goodwill and Intangible Assets	430.3	429.2	-0.3%
Lessor Assets	3,085.2	3,150.8	2.1%
Investment Property	90.9	90.9	-
Other Long-Term Assets	1,303.5	1,400.8	7.5%
<b>Total Long-Term Assets</b>	<b>7,427.4</b>	<b>7,667.1</b>	<b>3.2%</b>
<b>Total Assets</b>	<b>16,030.4</b>	<b>17,448.1</b>	<b>8.8%</b>
Short-Term Notes and Debt	7,041.0	7,526.6	6.9%
Accounts Payable	1,519.8	2,224.7	46.4%
Other Current Liabilities	391.6	390.7	-0.2%
<b>Total Current Liabilities</b>	<b>8,952.4</b>	<b>10,142.0</b>	<b>13.3%</b>
Long-Term Notes and Debt	2,573.8	2,753.1	7.0%
Other Long-Term Liabilities	274.6	268.5	-2.2%
<b>Total Long-Term Liabilities</b>	<b>2,848.4</b>	<b>3,021.6</b>	<b>6.1%</b>
<b>Minority Interest</b>	<b>1,163.2</b>	<b>1,187.3</b>	<b>2.1%</b>
Common Stock	1,094.0	1,094.0	-
Legal Reserve	321.0	336.0	4.7%
Other Reserves	2,463.0	2,449.7	-0.5%
Retained Earnings (Losses)	-811.5	-782.4	-3.6%
<b>Total Shareholder's Equity</b>	<b>3,066.5</b>	<b>3,097.3</b>	<b>1.0%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>16,030.4</b>	<b>17,448.1</b>	<b>8.8%</b>

## GB Auto's Shareholding Structure

as of 31 March 2018



### Head Office

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

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Andre Valavanis  
Investor Relations Manager

Sarah Maged  
Investor Relations Associate

Direct: +202 3910 0485  
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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:  
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 company in the Middle East and North Africa and non-bank financial services provider in Egypt. Across seven primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, Financing, After-Sales, and Regional operations — 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, 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, Algeria, and Jordan. 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.