



MOVING MARKETS DELIVERING RESULTS

ANNUAL REPORT **2015**



GB AUTO'S LINES OF BUSINESS AND DIVERSE PRODUCT PORTFOLIO
CATER TO A WIDE RANGE OF CUSTOMERS WITH VARYING NEEDS.



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Message from the CEO



When I look back at 2015, I see a year that was wrought with both challenges and opportunity for GB Auto. From the very start, we found ourselves faced with several obstacles, including a challenging macroeconomic backdrop across our footprint, a currency crisis in our home market of Egypt, and increasing security risks and political unrest in our regional expansion markets.

But GB Auto is no stranger to challenges. Drawing on past experience, which most importantly taught us to always keep one eye on the future, we leveraged our deep knowledge and diversification strategy not only to survive, but to thrive amid adversity. Our results in 2015 are a testament to the effectiveness of the strategy we began implementing in 2011: creating shareholder value by deriving a larger part of our revenues outside of Egypt (our core market) and Passenger Cars (our core product line). It is this diversification drive that is shielding us today from economic and geopolitical conditions that are beyond our control.

Softening demand due to political unrest in Iraq and an uncertain regulatory climate in Algeria took a toll on our Passenger Car sales, as did the shortage of foreign currency in Egypt, which imposed new constraints on the supply side even as demand remained robust. Nevertheless, we continued to invest in the growth of our business and our product portfolio: 2015 saw us sign an agreement with Aboul Fotouh (AF) Automotive and China's Chery International to become the sole authorized distributor of these vehicles in Egypt. In 2016, GB Auto entered the market with five CKD models compared to only two last year. We remain watchful for a legislative package that has come to be known as the "Automotive Directive" that would work to protect the domestic assembly industry from unfair import-based competition.

Meanwhile, difficulties sourcing foreign currency in our home market affected our inventory levels and our ability to meet market demand for some of our products, especially on the Passenger Cars and Tires fronts. The Tires division was hit hardest by the FX blow but started showing signs of recovery toward the end of the year as we also began fine-tuning our overall go-to market approach through activities aimed at increasing market share and lifting profitability, such as expanding the range of products we offer and shifting payment terms to an all-cash system. Our plans to launch a tire-manufacturing facility in the region are also underway — a step that should allow us to lock-in supplies of products appropriate for our domestic market, while also catering to strong demand in the GCC and other MENA markets.

Our Motorcycle and Three-Wheelers line of business continued on a solid growth track, nearly doubling its revenues from the year before. In 2015, we had decided to commence sales of the popular Bajaj three-wheelers in Iraq, and opened up a small service center and spare parts outlet in Baghdad. The success of the launch prompted us to begin operations at a second service center in Al Najaf, which also includes a showroom.

Our current facilities in Egypt are considered the first motorized assembly line of production for Bajaj three-wheelers outside of India. The company has finalized technical agreements and will begin building new component manufacturing hangers to install new painting and welding shops with considerable localization of both components and processes. Proceeds from the capital increase through rights issue finalized in May 2015 will be used to finance this expansion.

The Egyptian government's emphasis on infrastructure development in 2015 drove growth in our Commercial

Vehicles and Construction Equipment division, especially within the bus segment. An attempted overhaul of the country's public transportation system saw us deliver more than 400 buses to the Cairo and Alexandria Transport Authorities – and sign tenders that should keep our pipelines busy well into the second half of 2016.

Likewise, our Financing business was a top-performer in 2015, showing steady and promising growth. This year, and to a great reception, we launched our fifth financing venture, Tasaheel, which focuses primarily on direct microfinance group lending to women.

Across our different business lines, the After-Sales division posted promising results, contributing positively to the group's profitability. GB Auto's retail arm is in the process of rolling-out new after-sales retail outlets that will be called "360," and will distribute tires, tire parts, batteries, parts and lubricants. These points of presence will also offer other services, such as tire installation and the sale and injection of lubricants in several locations, among other things.

As an investor in long-term growth, we have always looked ahead and we continue to do so now. We have a steadfast belief in the fundamental strengths of the Egyptian economy and the eventual recovery of regional markets. As our approach in 2015 clearly reflects, we remain in pursuit of diversification, on both the product and geographic levels. Our margins throughout all those difficulties remained strong, and as

we await the return of FX liquidity to our home market, we will continue to use our pricing power, not only to preserve margins, but to hedge our business against unforeseen developments, while keeping all our costs under tight control and ensuring that working capital remains at healthy levels.

From a macroeconomic standpoint, it is our view that the government of Egypt needs to send two clear and strong signals to businesses and investors alike: that it will be responsive to new economic realities and that it will support primarily medium-weight and medium-technology industries that will create jobs and grow exports. The Central Bank of Egypt's c. 14% devaluation of the LE against the USD in March 2016 is the first step in the direction of aligning monetary policies with prevailing economic realities. On the second front, I would like here to reiterate the importance of an automotive directive as a pro-local industry policy to support national economic development.

In closing, I would like to thank you all for your continued support. We are well aware of how fast things can change in emerging markets, and we will continue to hold a long-term view that supports our growth and allows us to maintain profitability in adverse conditions.

Dr. Raouf Ghabbour, CEO

Summary Overview of Performance by Line of Business

(LE million)	2015	2014	% Change
Passenger Cars			
Revenue	7,489.9	8,909.9	-15.9%
Total Gross Profit	793.0	1,010.8	-21.5%
Gross Profit Margin	% 10.6%	11.3%	-0.8
Motorcycles and Three-Wheelers			
Revenue	1,997.2	1,334.0	49.7%
Gross Profit	346.7	245.6	41.2%
Gross Profit Margin	% 17.4%	18.4%	-1.0
Commercial Vehicles and Construction Equipment			
Revenue	1,327.9	912.9	45.5%
Gross Profit	175.8	98.1	79.3%
Gross Profit Margin	% 13.2%	10.7%	2.5
Tires			
Revenue	324.4	415.2	-21.9%
Gross Profit	36.0	63.7	-43.4%
Gross Profit Margin	% 11.1%	15.3%	-4.2
Financing Businesses			
Revenue	1,046.2	722.7	44.8%
Gross Profit	233.8	168.8	38.5%
Gross Profit Margin	% 22.3%	23.4%	-1.0
Others			
Revenue	75.9	24.1	-
Gross Profit	15.8	1.6	-
Gross Profit Margin	% 0.2	0.1	14.3
Group			
Revenue	12,264.7	12,322.1	-0.5%
Gross Profit	1,594.4	1,581.7	0.8%
Gross Profit Margin	% 13.0%	12.8%	0.2

Highlights of 2015



12.3 LE
BN

Group
Revenues

1.6 LE
BN

Group Gross Profit

13%

Group Gross
Profit Margin

233.1 LE
MN

Group Net
Profit

26.8%

Total Market
Share in Egypt

1.9%

Group Net
Profit Margin

LUBRICANTS

Began generating significant income and showed impressive growth during 2015

TASAHEEL

GB Auto's fifth financing venture was launched in 2H15 to provide direct microfinance lending to eligible groups of women

FABRIKA

Grew its revenues from LE 22.0 mn in 2014 to LE 42.0 mn this year, continuing on a path of steady growth and expansion

NEW BRAND REPRESENTATIONS

Included China's Chery International CKD and CBU Passenger Cars, including compacts, sub-compacts, sedans, and SUVs within the 1.0L-2.4L range

AFTER-SALES SERVICE

Extended to Passenger Cars, Commercial Vehicles, and Motorcycles and Three-Wheelers at 13 different outlets across Egypt, and plans are underway to expand GB Auto's After-Sales network to reach other, underserved parts of the country

GB POLO

Delivered 150 Macropolo buses assembled on Volvo chassis to the Alexandria Transport Authority as part of the Transport Ministry's initiative to encourage the use of public transportation and resolve Egypt's ever-growing traffic crisis

GB auto at a Glance

“ALWAYS LOOKING AHEAD”

GB Auto is a leading regional player with a strong operational footprint in key markets and sectors throughout the Middle East and North Africa. The company is focused on automotive assembly, manufacturing, sales and distribution, non-bank financial services, and after-sales services — including vehicle servicing and related products — and has diverse operations spanning six business units.

GB Auto’s portfolio of partners currently includes the leading global brands of Hyundai, Mazda, Geely Emgrand, Chery, Karry, Bajaj, Marcopolo, Iveco, Volvo, Sino Truck Fuso, SDLG, AKSA, YTO, Gazpromneft, Lassa, Yokohama, Westlake, Triangle, Diamondback, Double Coin, Grandstone, Goodyear, Jumbo, and Monroe.

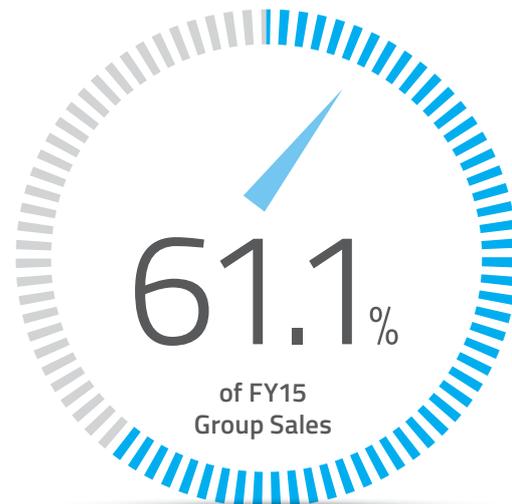
The company also has five non-bank financial subsidiaries, launched with an eye on offering financing options to all client categories from major corporations and small and medium enterprises to retail clients and micro credit eligible individuals. In addition to their standalone success, the financing businesses are important sales drivers for the Passenger Cars and Motorcycles and Three-Wheelers lines of business.

You can learn more about the company’s business units beginning on page 18 of this Annual Report.

GB Auto’s assembly operations include Passenger Cars, commercial vehicles, and motorcycles and three-wheelers. The company also designs and manufactures complete buses, semi-trailers and superstructures — with the exception of chassis — at three plants in the Greater Cairo area as well as facilities in Suez.

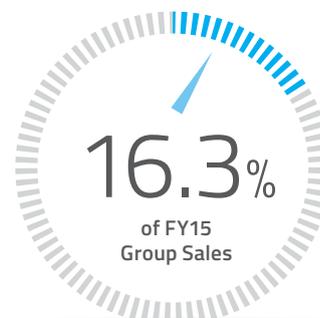
Throughout its more than 60-year history, GB Auto has built a strong reputation for standing behind its customers and is renowned for providing unmatched after-sales services in Egypt, having long positioned Hyundai cars as the best value for money in the Egyptian market and having done the same with Geely Emgrand and Mazda at their unique price points. GB Auto’s growing regional After-Sales service network includes 13 Passenger Car and 6 commercial vehicle outlets in Egypt and another 6 in Iraq. Together with the group’s new vehicle sales, the company’s service and parts outlets make GB a fully integrated automotive player — a “one-stop-shop” that provides customers with lower ownership costs and real value.

Passenger Cars



- Assembly and distribution of imported completely-knocked-down (CKD) kits with a production capacity of around 90,000 units per year within the Egyptian market
- Distribution of imported completely-built-up (CBU) vehicles across footprint
- After-Sales service and distribution of spare parts
- Financing options provided through Drive in Egypt, GB Lease for corporate fleet sales, and Haram Tourism Transport for car rental on quasi-operational lease basis
- **Markets:** Egypt, Iraq, Algeria
- **Brands:** Hyundai, Mazda, Geely, Chery

Motorcycles and Three-Wheelers



- Distribution of motorcycles and three-wheelers
- Assembly, after-sales service, and distribution of spare parts
- Financing options provided through Mashroey
- **Market:** Egypt, Iraq
- **Brands:** Bajaj

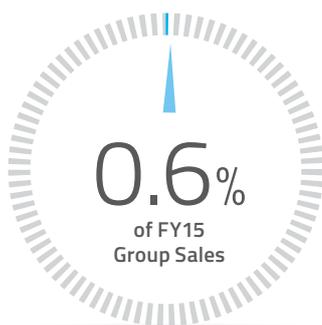
Commercial Vehicles and Construction

Equipment



- Assembly and distribution of trucks and buses
- Bus-body manufacturing and distribution
- Manufacturing and distribution of superstructures and trailers
- Distribution of generators, and construction and farming equipment
- After-sales service and distribution of spare parts
- Financing options provided through GB Lease for business-to-business corporate sales
- **Market:** Egypt
- **Brands:** Volvo, Fuso, YTO, Marcopolo, Iveco, Monroe, Karry, SDLG, AKSA

Others



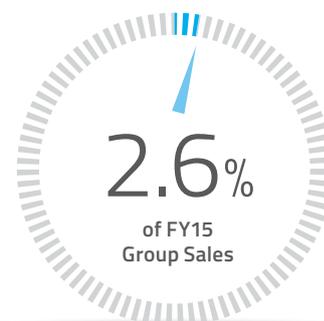
- The Parts and Lubricants (PAL) business distributes Gazpromneft Lubricants in Egypt
- The Pre-Owned Vehicles division rolled out a Western-style pre-owned car operation under the brand name Fabrika
- The Retail division, now called 360, will operate new after-sales and retail outlets, which will distribute tires, tire parts, batteries, parts, and lubricants, and will also offer related services in several locations
- **Market:** Egypt, Jordan
- **Companies:** PAL, Fabrika, 360

Financing Businesses



- GB Auto's Financing Businesses cater to all market segments
- GB Lease provides business-to-business financial leasing solutions. Assets financed are diversified and include real estate, automotive, production lines, and other asset classes
- Mashroey offers asset-based microfinance lending to eligible clients for the purchase of motorcycles, three-wheelers, YTO tractors, and motor tricycles
- Drive offers consumer financing of Passenger Cars and factoring of auto and non-auto products
- Haram Tourism Transport (HTT) provides car rental services on a quasi-operational lease basis
- Tashaeel Microfinance Company offers microfinance lending solutions to micro-entrepreneurs throughout Egypt, with a focus on group lending to females
- **Market:** Egypt
- **Companies:** GB Lease, Mashroey, Drive, Haram Tourism Transport, and Tasaheel

Tires



- Distribution of Passenger Cars, vans, trucks, construction equipment, and bus tires
- **Markets:** Egypt, Iraq, Algeria, Jordan
- **Brands:** Yokohama, Lassa, Westlake, Triangle, Goodyear, Grandstone, Diamondback, Double Coin, Jumbo

Management Review and Financial Performance



GB Auto saw total sales revenue decrease 23.0% y-o-y in 4Q15 and 0.5% y-o-y in FY 2015, mainly as a result of the challenging FX environment in Egypt (especially towards the end of the year) as well as the turbulent Iraqi market (throughout FY 2015). In Egypt, the Passenger Car division's decrease in sales was compensated by the Two- and Three-Wheeler division, the Commercial and Construction Vehicles division, as well as our Financing businesses. Despite the decrease in sales in 4Q15, our gross profit margins were quite strong y-o-y, as we reported GPMs of 15% in 4Q15 vs. 11.8% in 4Q14 as a result of price increases the group introduced in the quarter. Full year profitability also improved, as we ended the year at a GPM of 13%.

Overall, our operating profit decreased 30.5% y-o-y while our net profit showed a 34.4% increase compared to 2014 on

the back of a one-time gain from the fair value reassessment of an investment property reported in 3Q15, as well as lower taxes paid due to a weak 4Q15 and an overall lower tax rate of 22.5%. The positive minority interest reported throughout the year is mainly due to the reported regional losses, especially in Iraq where low oil prices have taken their toll on the economic situation, in addition to the regional over-supply situation, with spillovers mainly affecting Iraqi operations.

On the cash front, the company has used most of its cash generated throughout the year (funds from operations in the first nine months of 2015 amounted to LE 622.5 million in addition to outstanding cash balances that stood at LE 2.2 billion at the end of 3Q15) to build inventory later in 4Q15, which will boost performance during 2016. We have now replenished most of our Passenger Car stocks, as well

2015 Financial Highlights

12.3

BN

Group Revenues

1.6

BN

Group Gross Profit

13

%

Group Gross Profit Margin

1.0

BN

Group EBITDA

233.1

L.E
MN

Group Net Profit

1.9

%

Group Net Profit Margin

7.5

L.E
BN

Passenger Car Revenue

1.9

L.E
BN

Motorcycles and Three-Wheelers Revenue

1.3

L.E
BN

Commercial Vehicles and Construction Equipment

324

L.E
MN

Tires Business Revenue

1.0

L.E
BN

Financing Business Revenues

79.0

L.E
MN

Other Revenues

34.4%

Y-o-Y Increase in Group Net Profit

as two- and three-wheelers and commercial vehicles, in a difficult FX environment. This is an operational hedge that we wouldn't have achieved had we not had access to this excess liquidity by the end of 2015. As a result, the group returned to a negative FFO front, albeit in a much better situation than at the end of 2014.

The group's net debt stood at LE 4.0 billion, an increase of LE 1.2 billion compared to 3Q15, and LE 300 million above the final figure at the end of 2014. Net debt/equity dropped to 1.0x as of 31 December, 2015 from 1.3x at the end of 2014. Meanwhile, net debt/ EBITDA from continuing operations stood at 3.1x vs. 3.5x as at 31 December 2014. Total debt climbed to LE 5.2 billion at the end of 2015, and includes LE 1.3 billion of financing business debt, as we continue to expand and grow our operations. The figure also includes an FX exposure equivalent to LE 668.8 million. GB Auto is working to settle its FX debt promptly and has already taken steps to reduce it.

As we enter 2016 with replenished inventory, a solid pricing strategy, and a rather healthy market demand (despite natural inflation), we are in a better position to reap the benefits from our high-growth markets.

We continue to operate a relatively lean company, with CAPEX for the full year standing at LE 290.3 million (compared to a depreciation expense of LE 255 million), leaving ample room for GB Auto's planned expansion in the Tire and the Two- and Three-Wheeler businesses, which we expect to report solid developments on very soon.

Latest Corporate Developments

1. Successful Close of LE 960 mn Capital Increase via Rights Issue

GB Auto concluded a LE 960 million capital increase in 2015 that saw the company's issued and paid-in capital rise to LE 1,094,009,733 through the issuance of 958,672,188 new shares, which became eligible to trade on the Egyptian Exchange (EGX) on 22 June. Proceeds from the capital increase will be used to support GB Auto's expansion plans,

which involve the establishment of a plant that assembles CKD Bajaj motorcycles and three-wheelers in Egypt, as well as a new tire manufacturing facility. By becoming a local manufacturer rather than importer of tires, GB Auto will be able to simultaneously lock-in supplies of products that match its local demand, while also catering to markets in the GCC and MENA region, where nearly 99% of tires sold are imported.

2. GB Auto Launches Fifth Financing Venture

In August, GB Auto announced the launch of its fifth non-banking financial venture, Tasaheel Microfinance Company, which offers much-needed financing solutions to micro-entrepreneurs — an underserved segment of the Egyptian population. The new company, which is 90% owned by GB Auto and 10% by microfinance veteran EQI, aims to support national socioeconomic development by helping individuals with potential realize their goals, becoming agents of growth. The deployment of capital to the microfinance industry will help increase household income and improve overall standards of living within Tasaheel's target segment. Tasaheel is expected to grow into a thriving business and plans to establish over 100 branches across the country and employ more than 2,000 people within a five-year timeframe, empowering a new generation of entrepreneurs to shape the face of the new Egypt.

3. GB Auto Adds Chery Vehicles to its Brand Portfolio in Tripartite Cooperation Agreement

In October 2015, GB Auto entered into a tripartite cooperation agreement with China's Chery International and Egypt's AF Automotive that will see GB Auto exclusively distribute Chery vehicles through its nationwide network in Egypt. The agreement covers CKD and CBU models produced by Chery International, including sub-compacts, compacts, sedans, and small SUVs, all with engines in the 1.0L to 2.4L range. Together, GB Auto and AF Automotive's combined capacity could reach up to 90,000 vehicles per annum.

Outlook

The Egyptian economy rests on a number of pillars, including a swelling population figure, a key geographic position, and the existence of multiple free-trade agreements, which

GB Auto believes play a pivotal role in supporting fundamental and long-term growth in the market. We continue to invest accordingly, despite a lack of short-term visibility imposed by the nation’s current foreign currency situation and procedural reforms.

Management has successfully closed 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 Bajaj plant outside of India. The second will be a new tire-manufacturing facility to serve the MENA region’s growing tires market. The two new facilities will expand GB Auto’s opportunities in these fast-growing lines of business, enhancing the group’s profitability and FX outlook in the long term (via exports).

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 import duties are fully implemented. These agreements have already placed Chinese and South Korean vehicles at a disadvantage, and management believes the full implementation of the two partnership agreements could have a substantial negative impact on the market. The government of Egypt appears to recognize the difficult position in which automotive manufacturers and assemblers find themselves, and management continues to actively advocate for legislation that protects domestic assemblers and the countless valuable manufacturing jobs they support.

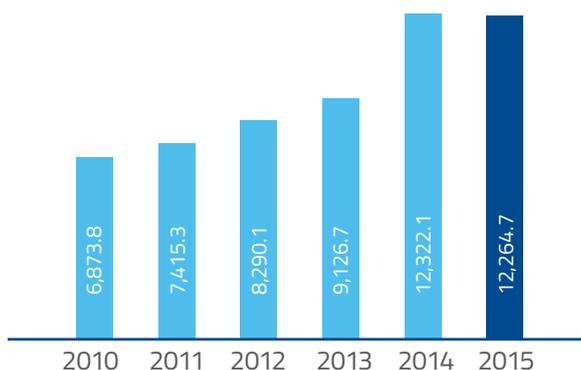
In the Passenger Car segment, management acknowledges the downside risk to previous guidance arising from the current national foreign-exchange crunch and a lack of



Passenger Cars	61.1%
Motorcycles and Three-Wheelers	16.3%
Commercial Vehicles and Construction Equipment	10.8%
Tires	2.6%
Financing Businesses	8.5%
Others	0.6%

Passenger Cars	49.7%
Motorcycles and Three-Wheelers	21.7%
Commercial Vehicles and Construction Equipment	11.0%
Tires	2.3%
Financing Businesses	14.7%
Others	0.6%

Group Revenues by Year
(LE million)



Group Gross Profit by Year
(LE million)



visibility as to when this will be resolved. GB Auto will continue to prioritize a lean and efficient cost base, formulating pricing policies that will take judicious advantage of its pricing power to preserve margins for as long as possible. Downside risk could be mitigated by any move to prioritize foreign exchange for CKD kits as opposed to CBU units, given GB Auto's position as a leading domestic assembler. Furthermore, the market still awaits the finalization of the Automotive Directive, which aims to benefit local assemblers and will be a game changer for our margins.

On the Commercial Vehicles and Construction Equipment line of business, management does not expect significant growth of the tourism market until 2016. However, given the ongoing investment in infrastructure and renewed economic activity – such as the recent overhaul in public transport that saw the government purchase more than 400 new city buses – divisions in this key line of business are expected to continue their current growth trends for so long as state spending on infrastructure (including urban transport fleets) continues. As part of GB Auto's ongoing drive for investment, the company intends to launch a pre-owned construction and heavy-truck distribution venture in the first half of 2016, propelled by the success of our pre-owned Passenger Car operation.

In-line with management expectations, GB Auto's After-Sales division performed well in 2015, boosting the contribution of the Passenger Cars, Motorcycles and Three-Wheelers, and Commercial Vehicles and Construction Equipment operations to the company's overall profits. It is considered likely that After-Sales will turn in a particularly strong performance in 2016, especially as the company rolls out new outlets in key, underserved geographic locations.

Since the beginning of the year, we had shifted payment terms for our Tire business to an all-cash system. While this initially pressured our sales levels during the first quarter of the year, sales began to pick up again in the second quarter. In the second half of the year, however, issues with FX allocation began challenging the LOB once more.

Meanwhile, our Financing business delivered strong performance throughout the year and management expects this line of business to continue this trend, especially with company's fifth financing venture, Tasaheel, posting promising results during its first months in operation. Turning our attention to the wider 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.

GB Auto is convinced of the long-term potential of the Algerian 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 previous earnings releases, began 2015 on a challenging note as a result of 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, management continues to pursue a capital-light approach to in-market expansion that has already seen it roll out its motorcycle and three-wheeler offerings in Iraq, with the latter capturing the attention of Iraqi consumers and achieving promising results.

In Libya, the challenging security situation is seeing GB Auto liquidate its stocks as it prepares to exit the market. All inventory currently still in Libya remains insured.

Finally, we note that guidance going forward remains subject to change in light of changing regional geopolitical and macroeconomic conditions as well as the ongoing foreign exchange challenge in Egypt.



Our Strategy



GB Auto is a uniquely diversified and established automotive player in key Middle Eastern and North African markets. The company's assembly, manufacturing, sales and distribution, and after-sales service operations span multiple market segments, including Passenger Cars, motorcycles and three-wheelers, commercial vehicles, construction equipment, tires, lubricants, pre-owned vehicles, and retail, in addition to complementary corporate, consumer, and microfinance activities.

These activities occupy:

- 4 assembly and manufacturing plants in Egypt
- Growing sales network of independent dealers and owned-retail outlets in Egypt and Iraq
- 13 passenger car, 6 commercial vehicle after-sales service outlets in Egypt, and 6 in Iraq
- 80 microfinance branches
- Consumer finance through a network of independent dealer showrooms, plus 25 company-owned showrooms

GB Auto's most recent strategic direction focuses on vertical expansion in our most profitable segments to allow us to capture the full value chain from these LOBs. This means the company is becoming a more serious manufacturer of a number of key products, supported by the benefits and low-cost advantages we enjoy in our main market, such as the different free-trade agreements Egypt has signed with neighbouring countries, the strength of our technology partners, the breadth of our logistical outreach, and strong relationships within the government.

On the geographical expansion front, while Egypt remains our base and strength, GB Auto has an established footprint in Iraq and Algeria and plans to expand further into Sub-Saharan Africa, as a start. GB Auto ventured into Libya in 2013, adopting a wait-and-see approach at first, but soon deciding to exit the turbulent North African market in 2015.

The company's activities form a three-axis strategy: expanding new ventures, growing our product portfolio, and targeting high-growth markets for expansion.

Growth and Vertical-Expansion of our Product Portfolio

With the recent launch of GB Auto's new financing business, Tasaheel, the announcement of its tripartite agreement with Chery International and AF Automotive to exclusively distribute Chery vehicles in Egypt, and the commencement of motorcycle and three-wheeler sales in the Iraqi market, GB Auto is following through on plans to further expand its product reach and grow its portfolio across its markets of operation. The company also intends to begin manufacturing tires in its domestic market, which would be sold regionally and locally. GB Auto remains the clear partner of choice for any OEM (original equipment manufacturer), and we expect our positive reputation to help us further develop our relationships with current partners and enter into new arrangements with other leading global brands.

Expanding New Ventures

GB Auto is replicating the proven strategies it used in Egypt and Iraq as it settles in and ramps up its business in Algeria, where sales and operations have been increasing gradually. We are actively working to extend our leading vertically integrated sales, finance, and after-sales support functions, as well as our unmatched distribution network and product offering, to this core MENA market.

Targeting High-Growth Markets

Going forward, GB Auto will continue to expand its footprint into new high-growth markets, supported by strong, sustainable growth in Egypt, Iraq, and Algeria. One of our consistent strengths as a company is our ability to identify and capitalize on potential for growth. As we look to further cement our regional footprint, we plan to focus on the opportunity-rich region of Sub-Saharan Africa.



Regional Footprint



GB Auto is an established regional player, with a growing presence in Iraq and Algeria complementing its main operations in Egypt. The company’s deep commitment to and understanding of its home market, combined with strong management and a sound strategy, helped it springboard from a local company to a regional, multinational success story.

The company first announced in 2009 that it was exploring opportunities for growth outside of Egypt, and in 2010, it entered a joint venture to distribute Hyundai vehicles in Iraq, subsequently boosting operations and increasing its brand representations. In 2015, operations in Iraq accounted for 1.7% of the company’s total revenues — proving the compatibility and success of the GB Auto model in another key regional market and prompting management to launch sales of the popular Bajaj three-wheeler vehicles in Iraq after years of proven success in Egypt. Sales so far have been promising, with over 850 units sold by the end of 2015, and management is optimistic about their long-term potential, conditions on the ground allowing.

The company also has an established presence in Algeria, with key brand representations and sales, and after-sales operations having begun in 2013. GB Auto has established a foothold in the Algerian market — with management control — in cooperation with the Group Rahmoune, a strategic player in the Algerian economy, with investments mainly in building materials, basic infrastructure, and the automotive business. The company’s product offerings in the country now include Geely Passenger Cars, as well as Lassa, Grandstone, and Goodyear tires. Although constant regulatory changes in Algeria make it difficult to plan ahead, management is still pursuing additional opportunities for long-term growth in this potentially lucrative market.

GB Auto entered Libya in 2013, at first adopting a “wait-and-see” approach toward the country, while keeping an eye on the long-term potential of the market. However, the persistently volatile political situation in the country compelled GB Auto to begin exiting the market to avoid sustaining any severe losses. Management is currently in the process of liquidating inventory, and, at the moment, only insured assets remain in Libya.

Future Expansions

GB Auto is actively exploring further market expansion, building on its established presence in Iraq and Algeria and capitalizing on the region’s untapped potential and pent-up demand for real value and true customer care. Management looks forward to announcing further developments on this front going forward, with Sub-Saharan Africa being its current focal point for growth.

Egypt	
Passenger Cars	
Commercial Vehicles and Construction Equipment	
Motorcycles and Three-Wheelers	
Tires	
Financing Businesses	
Others	

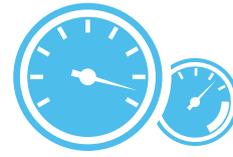
Algeria	
Passenger Cars	
Tires	

Iraq	
Passenger Cars	 HYUNDAI
Tires	   

Jordan	
Tires	  



Our Business Units and Brands



Passenger Cars

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, Mazda, and most recently Chery Passenger Cars, and the owner of the largest nationwide distribution and after-sales service network. GB Auto also has an established regional footprint, distributing Hyundai Passenger Cars in Iraq and Geely Passenger Cars in Algeria. GB Auto serves the Egyptian market with both CKD and CBU products while operating in Iraq and Algeria with CBU units.

Motorcycles and Three-Wheelers

GB Auto is Egypt's exclusive assembler and distributor of motorcycles and three-wheelers from Bajaj, the largest global manufacturer of three-wheelers, often known as auto-rickshaws. GB Auto imports semi-knocked-down (SKD) units from the Indian producer, and assembles and finishes the vehicles locally at the company's Sixth of October City Industrial Zone factory. The company has been the country's market leader for the popular vehicles since it first began importing them in 1999, thanks to its efforts to provide quality, low-cost after-sales service to this segment's price-conscious consumers, and later as the company introduced financing for this line via Mashroey. In line with its expansion strategy, GB Auto has also introduced Bajaj three-wheelers to the Iraqi market and is optimistic about their long-term potential.

Commercial Vehicles and Construction Equipment

The Commercial Vehicles and Construction Equipment line of business offers a wide range of assembled-in-Egypt trucks and locally manufactured buses under exclusive agent and distributorship agreements with Fuso and Volvo. GB Auto manufactures and distributes semi-trailers and superstructures (i.e., oil and chemical tankers as well as concrete mixers). This business unit also distributes earth moving equipment, road machinery, and power generators in Egypt under a distribution agreement with Volvo Construction, SDLG, and AKSA. It also distributes YTO tractors in Egypt, and produces buses for domestic and export markets through GB Polo (a state-of-the-art facility in partnership with global leader Marcopolo and using Volvo, Fuso, Iveco chassis).

Tires

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, Diamondback, and Jumbo in Iraq. In Jordan, GB Auto distributes Triangle, Diamondback, and Jumbo tires, and offers Lassa, Grandstone, and most recently, Goodyear tires in Algeria. Given the ongoing challenges on the ground in Libya, GB Auto is liquidating its assets and inventory in the country as it prepares to fully exit the market.

Financing Businesses

GB Capital serves as the group's financial arm, and is responsible for the Financing Businesses line, which consists of five independent companies comprising GB Lease (financial leasing), Mashroey (asset-based microfinance lending to eligible clients), Drive (consumer finance and factoring), Haram (car rental on a quasi-operational lease basis), and the newly-launched Tasaheel (microfinance). 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. GB Capital is constantly on the lookout for new additions to complement its growing and successful portfolio.

Others

The company's Pre-Owned Vehicles division, Fabrika, is rolling-out a Western-style pre-owned car operation at all GB-owned points of presence in Egypt. GB Auto's Lubricants business, PAL, distributes G-Energy and Gazprom Neft-Lubricants at GB Auto-branded and third-party points of presence in the Egyptian market under an exclusive strategic alliance with Gazprom Neft. The company's Retail arm, 360, will operate retail after-sales outlets to distribute tires, tire parts, batteries, spare 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.



 HYUNDAI	 GEELY EMGRAND	 mazda	 VOLVO	 CHERY	 BAJAJ
 Karry	 IVECO	 YTO	 Marcopolo	 FUSO	 GRANDSTONE
 aksa POWER GENERATION	 HENGSHENG 3S	 WEST LAKE	 GOODYEAR	 LASSA TYRES	 TRIANGLE
 GAZPROMNEFT	 Capital	 Lease	 مشروعى Mashroey	 DRIVE FINANCE	 Haram TOURIST TRANSPORT
 SIDLG	 YOKOHAMA	 FABRIKA	 MONROE	 DOUBLECOIN	 JUMBO

Passenger Cars



GB Auto is the largest player in the Egyptian Passenger Car market in terms of sales revenue, market share, and production capacity. The company holds the exclusive license to assemble and distribute Hyundai and Geely Passenger Cars, and import and distribute Hyundai, Geely, and Mazda Passenger Cars, as well as spare parts for all three brands. GB Auto is now also the exclusive distributor and after-sales service provider for Chery-brand vehicles in Egypt, through a tripartite agreement with the Chinese company and Egypt's AF Automotive.

GB Auto also has an established regional footprint, with a strong presence in the Iraqi market and a growing presence in Algeria. In Iraq, the company is a leading player in the Passenger Car market, where it is the sole distributor of Hyundai Passenger Cars and spare parts. In Algeria, GB Auto sells Geely Emgrand Passenger Cars through a local venture. Although the company had first adopted a wait-and-see approach in Libya, where it had been a distributor of Geely Passenger Cars, GB Auto has halted its operations and is in the process of liquidating its assets.

Through Hyundai, Geely Emgrand, Mazda, and now Chery, GB Auto is able to market a variety of products with a diverse range of sizes and prices.

Over the years, the company has solidified its market leadership with a dedication to value, unparalleled service and best-in-class products. GB Auto created its "one-stop-shop" approach to retail auto buying by vertically integrating sales, consumer finance (through Drive, GB Auto's consumer finance venture) and after-sales support. Its commitment to total customer care allows the company to offer Egypt's car-buying market a powerful value proposition — GB Auto has long positioned Hyundai cars as the best value for money in the Egyptian market and has more recently done the same with Geely Emgrand, Mazda, and Chery at their unique price points.

With Egypt's largest sales and after-sales network, GB Auto has transformed the nation's new car experience. The company's 3S business model promises showrooms, services,

and spare parts. GB Auto's 13 large service centers and more than 700 service bays, 25 owned showrooms, and several partnerships with independent automotive retailers, and a spare parts distribution channel that stretches across the country deliver comprehensive service to Egypt's car market. The company is working towards implementing the same successful model across its footprint, building Iraq's leading after-sales service franchise based on the Egyptian model. The company has plans to introduce a similar network to the Algerian market going forward.

GB Auto has invested significantly in the expansion of its assembly capacity. At the Prima plant, the company assembles Hyundai and Geely Passenger Cars and Mitsubishi Canter cabins from imported CKD kits, as well as locally sourced components. The plant, which spans across nearly 58,000 square meters, was established in 1994 and, by January 2016, had produced more than 285,000 Passenger Cars. In September 2012, GB Auto completed a major investment, growing production to include its new Geely models while modernizing certain aspects of the assembly process. Today, Prima is a truly state-of-the-art facility with fully-automated conveyer systems, robots for painting and welding shops.

2015 Business Review

Egypt

According to the Egyptian Automotive Marketing Information Council (AMIC), the Egyptian Passenger Car market witnessed a 6% drop in total sales volumes during FY15, falling to 195,559 units this year from 207,973 units in FY14. The decline came mainly on the back of economic challenges and an unstable regulatory environment in Egypt, especially during the second half of 2015 when uncertainties began surrounding the future of car prices in Egypt, affecting demand.

AMIC's full-year report on the Egyptian Passenger Cars market showed volumes for brands within the 1.0-1.3 liter range declining by 14% y-o-y, while those between 1.3-1.5 liters fell by 22%. Vehicles with higher-capacity engines witnessed slight increases in volumes, with those falling

5

CKD models planned for 2016

“
*OVER THE YEARS, THE COMPANY
HAS SOLIDIFIED ITS MARKET LEAD-
ERSHIP WITH A DEDICATION TO
VALUE, UNPARALLELED SERVICE,
AND BEST-IN-CLASS PRODUCTS.*

”



between 1.5-1.6 liters rising by 5%, while SUVs larger than 2.0 liters climbed up 27%.

The decline in overall market sales was reflected in GB Auto's performance and results for FY15, especially since the bulk of the company's sales falls within the 1.3-1.6 liter range. GB Auto's Passenger Cars division saw total volumes and revenues drop by 14.6% and 3.4% y-o-y respectively during the year, affected by weaker market demand coupled with difficulties in sourcing foreign currency due to a national shortage.

The effects of the foreign currency shortage were particularly accentuated during the fourth quarter of 2015 and had a direct and severe impact on GB Auto's ability to finance imports and restock its inventory. Across all its brands, GB Auto held a total market share of 26.8% (including Hyundai, Geely Emgrand, and Mazda), 3 percentage points below FY14's share of 29.8%.

Hyundai continued to outperform during FY15, capturing a total market share of 22.2% during the year and contributing c.52.4% of the LOB's total revenues. The brand's CBU sales increased by 4.8% y-o-y, while CKD sales declined by 11.7% over the same period, hindered by disruptions in assembly operations due to FX challenges.

2015 also saw Mazda sustain its upward trend, with sales volumes increasing more than twofold over the course of the year to reach 1,937 from 823 units in the year prior. Meanwhile, Geely's CBU sales volumes increased by 12.7% over the same period, as CKD sales fell by 61.6%. Since its launch, GB Auto has sold over 30,000 units of Geely's Emgrand 7 model. However, sales during 2015 declined due to a negative social media campaign, which the company dealt with decisively by obtaining third-party quality certifications that proved the erroneous nature of the claims made on social media.

The Passenger Cars After-Sales division posted impressive



results during 2015, as it continued on its gradual growth trajectory. Revenues for the year reached LE 433.9 million, an increase of 15.9% y-o-y. While the division's gross profit rose by 26.7% to LE 150.7 million. Management expects After-Sales to remain highly profitable and continue yielding excellent returns. GB Auto intends to establish additional after-sales outlets in new locations, primarily underserved areas such as Upper Egypt and the North Coast, to meet the ever-increasing capacity that has nearly doubled over the last two years.

Iraq

GB Auto continues to operate in the Iraqi market despite the adverse geopolitical conditions that negatively impacted our operations in the country. Revenues from the market came in 50.9% lower y-o-y for the full year of 2015 on the back of a 44.0% decrease in sales volumes, largely due to the country's sluggish economic backdrop, affecting market demand as well as oversupply problems. Despite the weakening demand for Passenger Cars, however, Iraqi After-Sales performed well during 2015, recording revenues of LE 64.3 million, an increase of 30.7% y-o-y.

From a comparative standpoint, GB Auto's position in the Iraqi market is better than most in terms of bank debt, stocks, and foreign currency. As is the case with many other businesses in the troubled country, there is limited visibility on future conditions. GB Auto intends to maintain its operations and management is exploring a number of contingency plans that should allow the company to tackle whatever challenges that may arise.

Algeria

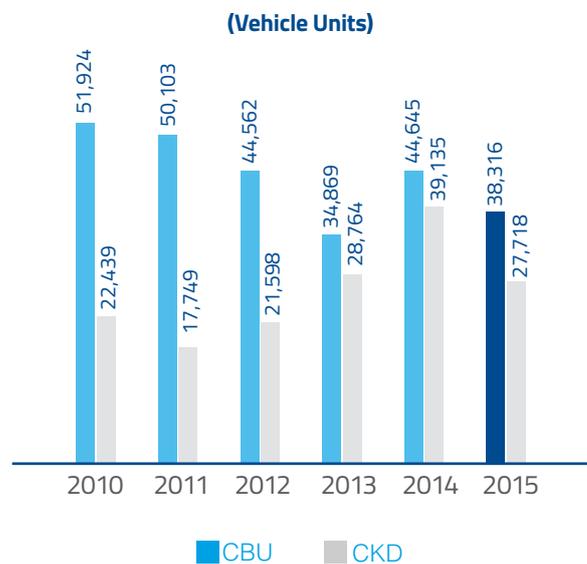
GB Auto's operations in Algeria were hampered by a difficult economic and regulatory climate during 2015. In addition to a generally sluggish economic backdrop, Algeria also found itself grappling with a foreign currency shortage and restrictions on car imports, which the government temporarily suspended until new legislation is put in place. The focus of 2015 was on liquidating the company's Algerian stock, leaving only 250 units by year-end, which management intends to sell during the first half of the coming year.

Despite these challenges, management remains optimistic about the recovery of this potentially lucrative market and will continue to pursue additional opportunities for long-term growth in Algeria.

Libya

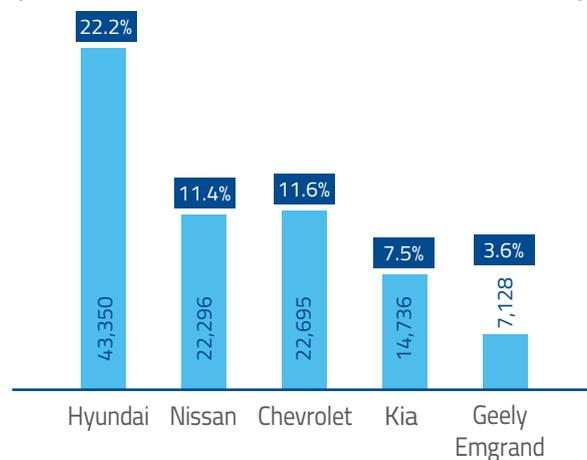
Given the increasingly volatile conditions on the ground in Libya, GB Auto began liquidating its inventory in the country as it arranged to exit the turbulent market. It is worth noting that GB Auto has no personnel in Libya and all inventory in the country remains fully insured.

GB Auto Sales Volume Across All Brands and Markets



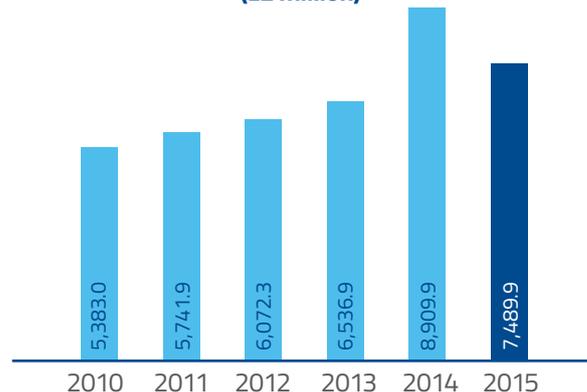
Segmentation of the Egyptian Passenger Car Market

(Units sold and % Market Share as of Year-End 2015)



Revenues by Year

(LE million)



Motorcycles and Three-Wheelers



GB Auto is Egypt's exclusive assembler and distributor of motorcycles and three-wheelers from Bajaj, the world's largest manufacturer of three-wheelers, often known as auto-rickshaws. GB Auto imports SKD units from the Indian producer, and assembles and finishes the vehicles locally at the company's Sixth of October City Industrial Zone factory.

Since it first began importing and selling three-wheelers in Egypt in 1999, the company has been the country's market leader for the popular vehicles, in part due to its efforts at providing quality, low-cost after-sales service to this segment's price-conscious consumers, and later as the company introduced financing for this line via Mashroey.

In rural and low-income areas, three-wheeler vehicles are used for personal and commercial purposes as an alternative to common urban and peri-urban transport methods. Three-wheelers' relatively low up-front cost, minimal fuel consumption, and ease of movement often provide these areas a preferred transportation option.

GB Auto provides its motorcycle and three-wheeler customers the same comprehensive service that it offers its car buyers, and the group's 3S business model — showrooms, service and spare parts — extends to its motorcycles and three-wheelers business as well.

As noted above, After-Sales is an important component of this business unit and a key differentiator for GB Auto in the market, given that consumers are attracted to motorcycles and three-wheelers, which places strong emphasis on the availability of spare parts and service centers.

To capitalize on this 'built-in' demand, the authorized service center network is continuously expanding to reach out to customers, thereby encouraging them to return to the GB Auto network for maintenance, spare parts, and repairs.

GB Auto's commitment to total care for customers of this key segment is evident in its nationwide network of 22 owned retail showrooms, that include three 3-S, 18 2-S, and one 1-S after-sales service center, as well as an extensive network of

125 authorized dealers, as well as 70 authorized service centers across Egypt.

GB Auto has also launched sales of these popular vehicles in Iraq and is optimistic about their long-term potential in the market. The vehicles are imported from India as SKD units that are assembled in Iraq and distributed through local dealers that GB Auto selects based on geography and sales performance. GB Auto also operates a small service center and spare parts outlet in Baghdad, and has recently added another in the area of Al Najaf with an adjunct two- and three-wheeler showroom.

2015 Business Review

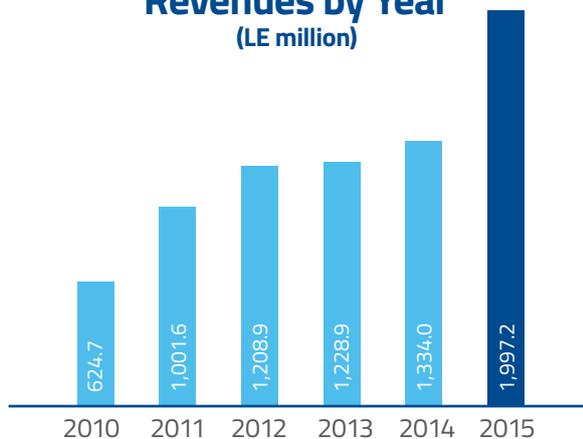
The Motorcycles and Three-Wheelers division reported strong results for FY15, posting a 40.3% y-o-y increase in sales volumes and 49.6% in revenues. Gross profit also rose by 40.9% to LE 330 million.

The division's After-Sales revenue and gross profit also witnessed significant growth, rising by 51.5% and 47.0% y-o-y respectively as a result of strengthening operations in both the Egyptian and Iraqi markets.

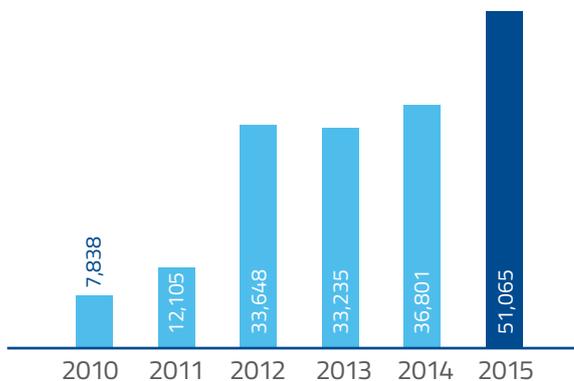
Management believes the division still has ample room to grow and expand further. GB Auto's current facilities in Egypt are considered to be the first motorized assembly line of production for Bajaj three-wheelers outside of India. The company has finalized technical agreements with the producer to expand current operations and install new painting and welding shops with considerable components and process localization, with Bajaj providing engineering data and technical know-how. Proceeds from the recently finalized capital increase through a rights issue will in part be used to finance this expansion, and the company is in the process of acquiring machinery for the new assembly line.

Management has also launched sales of these vehicles in Iraq, with unit sales so far showing promising results. Since the launch of operations, GB Auto has sold a total 850 units, in addition to the operation of one small service center and spare parts outlet in Baghdad and another in the area of Al Najaf that also includes a Bajaj showroom.

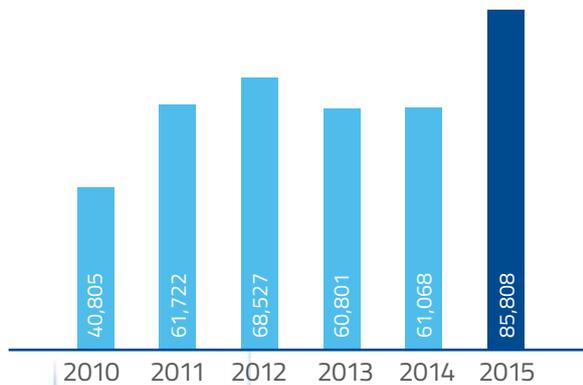
Revenues by Year (LE million)



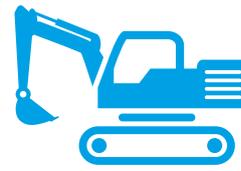
Motorcycle Sales Volumes (Vehicle Units)



Three-Wheeler Sales Volumes (LE million)



Commercial Vehicles and Construction Equipment



GB Auto's Commercial Vehicles business unit distributes imported and locally assembled trucks and buses in Egypt. The division assembles Fuso and Volvo buses as well as Fuso trucks at plants in Sadat and Suez (home to the new GB Polo factory), and distributes Volvo heavy trucks and YTO tractors in Egypt. GB Auto also manufactures and distributes semi-trailers and super-structures under its Commercial Vehicles line.

The company's bus segment produces a full range of transportation solutions, including maxi buses, or coaches, with a maximum capacity of 55 passengers; midi buses (30-38 seats); mini buses (24-29 seats); micro buses (17 seats); and micro-micro buses (7 seats).

GB Auto's Commercial Vehicles line markets heavy-, medium- and lightweight trucks for fleet operators, contractors, large industrial operators and government agencies throughout Egypt.

The Commercial Vehicles unit, more than any other GB Auto operation, demonstrates the group's capabilities as a manufacturer. With the exception of the chassis, the company designs and manufactures complete buses at its facilities. At these production facilities, GB Auto produces the Fuso RP coach, the Fuso Cruiser mini and medium-sized buses, the Volvo-model tourism buses, and the new-generation Marcopolo bus range, which was introduced in 2014.

GB Polo, the company's joint-venture with global giant Marcopolo, is home to a 5,000 unit-per year capacity (potential capacity, based on two shifts daily), state-of-the-art bus body manufacturing facility targeting local and export markets. GB Polo produces buses covering all applications (micro, mini, midi, city, school/labor, intercity, and coach) and the facility utilizes almost 285,000 square meters of land.

GB Polo was conceived as a move to capture export opportunities in bus field manufacturing by utilizing GB Auto's quality standards and relatively low-cost, highly-trained workforce in combination with Marcopolo's 65-year history of successfully developing technological and innovative concepts for full transportation solutions and setups in key markets worldwide. The addition of the Iveco chassis has also proved to be a further boost to the strength of GB Auto's Bus division.

GB Auto's Construction Equipment business unit includes earth moving equipment, road machinery, and power generators distributed in Egypt under distribution agreements with Volvo Construction, SDLG, and AKSA. The group markets its heavy-duty equipment line to public and governmental customers, as well as to private sector companies, and the company is exploring options to expand this segment into other key regional markets.

The Commercial Vehicles and Construction Equipment business unit is supported by financing through GB Lease as well as a robust after-sales framework that extends GB Auto's total care model to customers of this key LOB. This business unit offers GB Auto customers throughout Egypt a nationwide network of owned-retail showrooms including 13 after-sales service centers.

2015 Business Review

The Commercial Vehicles and Construction Equipment line of business saw total revenues and gross profit rise by 45.5% and 79.3% y-o-y respectively during FY15, owing mainly to a renewed drive for public- and private-sector investments in Egyptian infrastructure, helping GB Auto maintain a healthy order pipeline throughout the year and deliver a total of 450 buses to the Egyptian Public Transport Authority.

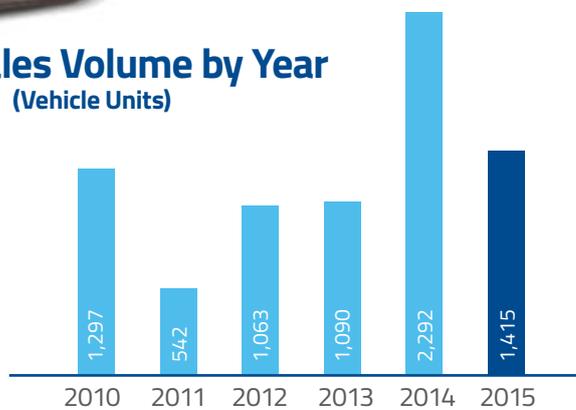
During the year, GB Polo delivered the first Cairo Transport Authority (CTA) buses assembled on Volvo chassis to a committee of CTA inspectors, who approved the order upon first inspection. The successful delivery of that order has helped strengthen GB Polo and GB Auto's market standing in the city bus segment and is a testament to GB Auto's ability to benefit from the sharing of knowledge and expertise, delivering world-class standards to the local market.

Management is optimistic about the LOB's performance going forward, and GB Auto is expected to continue delivering units to the Transport Authority well into the second half of 2016.

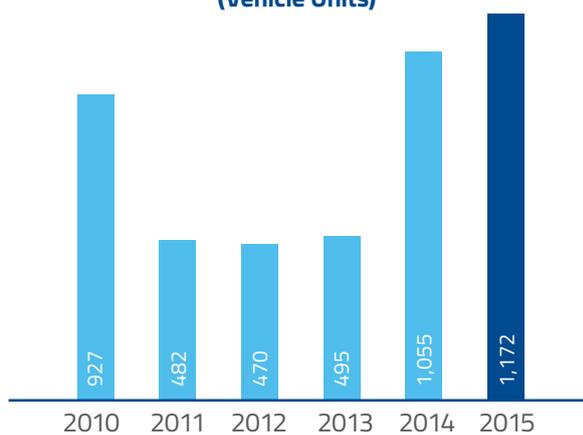
Meanwhile, Trucks reported a y-o-y drop in volumes, impacted by currency shortages in the third and fourth quarters of the year. Management expects new product offers, that now cater to high- and low-end segments, to help ramp-up the division's performance during 2016, especially as greater investments are made in infrastructure and other development-related projects.



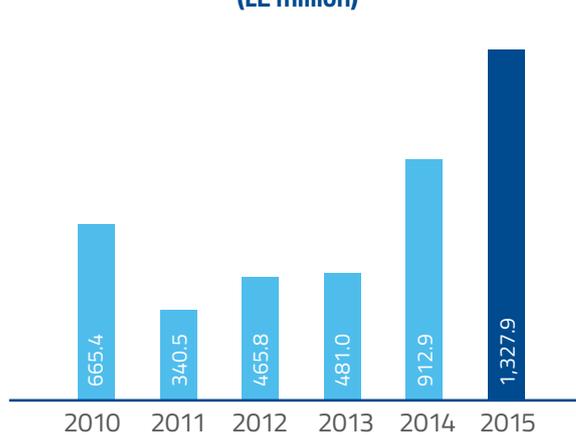
Truck Sales Volume by Year
(Vehicle Units)



Bus Sales Volume by Year
(Vehicle Units)



CV&CE Total Revenues by Year
(LE million)



Tires



GB Auto has been among Egypt's leading tire distributors for more than 50 years. The company distributes Passenger Car, van, bus, construction equipment, light-truck, truck, and bus-truck tires from manufacturers including Turkey's Lassa, Japan's Yokohama, China's Westlake, Triangle, Diamond-back, Double Coin, Grandstone, and Goodyear.

This business unit also has an established regional presence, with operations covering Iraq, Algeria, and Jordan. Efforts are ongoing to round out the company's product offerings, with more important representations set to come on stream soon.

Despite difficulties faced towards the end of 2015 due to a foreign currency crunch in Egypt, the Tires business unit remains an increasingly important contributor to GB Auto's revenue and profitability stream, through both increased sales volume and sustained foreign currency sales in an environment of devaluation in the company's home market of Egypt.

Going forward, GB Auto intends to begin manufacturing tires, which should allow the company to lock-in supplies to meet domestic demand and regional demand, especially in the GCC area, where c.99% of tires sold are imported.

2015 Business Review

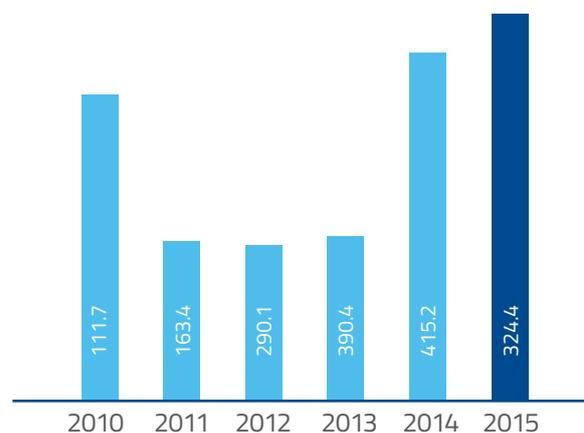
2015 was an especially challenging year for GB Auto's Tires line of business, as revenues and profitability suffered from the severe foreign currency shortage in Egypt as well as the challenging geopolitical conditions in the region. Total sales revenues dipped 21.9% y-o-y while gross profit decreased by 43.4% over the same period.

During the second and third quarters of 2015, the company incurred hefty demurrage charges related to delays in FX allocation, which – coupled with the liquidation of slow-moving inventory – adversely affected the Tires business' top line and margins. Additionally, at the start of the year, GB Auto had made a strategic and far-sighted decision to shift payment terms to an all-cash system, which initially also pressured sales levels. Management, however, expects this decision to begin bearing fruit as economic conditions, and in turn demand, begin to gradually improve.

GB Auto is also fine-tuning its overall go-to market approach through a number of activities aimed at increasing market share and lifting profitability across the region and starting 2016 on a more solid footing. Among these efforts are, 1) the optimization of our brand portfolio to cover new profitable segments (Double Coin for trucks and light trucks, OTR tires in Egypt, Avon tires for Passenger Cars and SUVs in Jordan and Iraq as well as Primo for Agri-tires in Egypt.); 2) Consolidating our position in the Passenger Car retail channels to improve the distributed volumes and cement our position in direct sales to heavy truck fleets and; 3) Shifting our payment terms to an all-cash system for 80% of our Egyptian tire business and the re-organization of our sales force to achieve a more effective coverage of key areas in Egypt and Algeria.

The company has confirmed its short-term plans to launch a tire manufacturing facility in the region to lock-in supplies of products appropriate to its markets while also catering to a strong local demand in the GCC and MENA regions. Negotiations are ongoing with technology partners to grant the most suitable product portfolio and competitive cost structure for the project. Overall required capacity will be above 100,000 tons, in line with our cost competitive strategy.

Tires Revenues by Year (LE million)



“
THE COMPANY HAS CONFIRMED SHORT-TERM PLANS TO LAUNCH A TIRE MANUFACTURING FACILITY TO LOCK-IN SUPPLIES APPROPRIATE FOR DOMESTIC & REGIONAL DEMAND
”



Financing Businesses



GB Auto's strategy aims to create a full-fledged financial arm that serves its core business while competing 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 five financial service providers.

Overall, the Financing Businesses line is growing steadily, with GB Capital's strategy being 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 in their distinctive areas, and also operate on a non-exclusive basis with GB Auto to ensure the competitiveness of their operations.

The companies' credit approval and disbursement mechanisms are highly-advanced and comply fully with the best practices observed by financial institutions in the country.

Furthermore, asset quality and collections — being the backbone for the success of any financial institution — are closely monitored, well-maintained, and controlled within each company, with results that match and exceed industry norms. 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 constantly on the lookout for new additions to complement its portfolio.

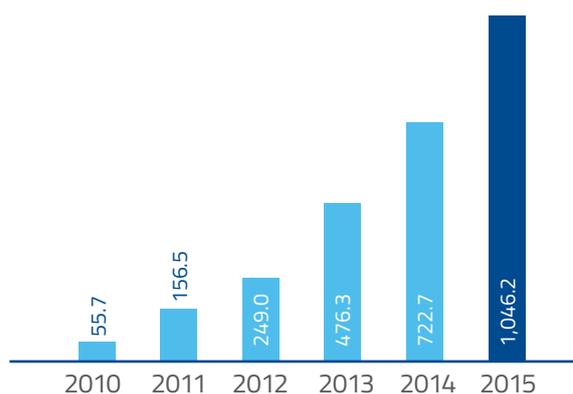
GB Lease is GB Auto's first financing venture, established in 2008 with the purpose of providing finance to GB Auto's commercial vehicles and corporate fleet clients. The company started active operations in the fourth quarter of 2009 and has now grown into a well-developed organization with a diversified lease asset base that covers all asset classes, including real estate, automotive, production lines, and others. Tenor is medium-term, and the company focuses on risk diversification by asset class, industry sector, and client — operating with prudent risk management practices with regards to provisions and risk recognition.

GB Lease provides business-to-business financial leasing solutions that are non-exclusive to GB Auto, catering to a diversified client base ranging from top-tier multinationals to local corporations of various scales, as well as small and medium enterprises. It is one of the top-tier active players in the market operating under the auspices of EFSA and fully complies with all regulations.

Mashroey is GB Auto's second financing venture. Founded in late 2009, it began operations in March 2010 and offers asset-based microfinance lending to eligible clients. Like GB Lease, the company is now well-developed and growing rapidly across Egypt, with a nationwide network of around 80 branches and units.

Mashroey started out selling GB Auto's Bajaj-branded three wheelers on credit terms, but now has an extensive product base that extends credit and financing options for the purchase of three-wheelers, motorcycles (GB Auto product), motor tricycles (non-GB Auto product), YTO tractors, minivans (GB Auto product), and pre-owned three-wheelers. Mashroey's credit policy is stringent and its portfolio tenor is predominantly short-term. It also operates a nationwide network of over 80 branches and units.

Financing Businesses Revenues by Year (LE million)



17.8%

Contribution to Group Gross Profit

Drive is GB Auto's third financing venture. Licensed as a Factoring Company in 3Q12, it extends its services to a well-diversified client base, ranging from business-to-business (SMEs) to business-to-consumer (retail), which includes auto loans to end consumers. Drive has grown steadily since its establishment, making remarkable strides in market presence and carving a place for itself in the very competitive automotive financing sector as of its first year in operation. Drive anticipates a further boost to its operations after factoring regulations expanded the scope of operations to allow both business-to-consumer and business-to-business. The company has a well-developed portfolio, offers medium-term tenors, and focuses on risk diversification by finance product types, client base, and brands (as far as auto loans are concerned).

Drive finances sales of GB Auto's Passenger Cars out of the company's showrooms and also transacts with key independent dealers in the company's network. Drive is non-exclusive to GB Auto and offers a multitude of financial solutions for various SMEs and consumers. The company fully complies with all regulations and operates under the auspices of the EFSA.

Haram Tourism Transport (HTT, also known as Haram Limousine) is GB Auto's fourth financing businesses under GB Capital. It operates as a car rental / quasi-operational lease company, is the premier vehicle fleet leasing company in Egypt, and serves top-tier multinationals, financial institutions, as well as private sector companies, with its average tenor standing at three years. HTT supports its clients by enabling them to focus on their core competencies and strengths while directing scarce funding resources to mainstream operations; leaving vehicle sourcing and management to HTT. The company's service agreements entail acquisition, registration, and maintenance of the vehicle, in addition to insurance that extends to third-party damage and passengers within the vehicle. Other complementary services include fleet management reports.

Tasaheel is the most recent addition to GB Auto's portfolio of financing businesses, launched in August 2015 to provide direct microfinance lending to eligible clients, with a spe-

cific focus on group lending to women. Through Tasaheel, GB Auto aims to help low-income earners generate higher returns to improve their living standards, which in turn supports overall community development and economic growth. At the end of 2015, the company had 16 operational branches, and aims to establish a nationwide network of at least 100 branches and have over 2,000 people in employment by 2020.

2015 Business Review

The Financing Businesses under GB capital are on a path of constant growth; overall revenues for FY15 increased by 44.8% to LE 1,046.2 million compared to LE 722.7 million in FY14. Total gross profit rose to LE 233.8 million in 2015 from LE 168.6 million the year before, showing an increase of 38.5% y-o-y.

At 22.3%, the division's gross profit margin, albeit 1% lower than FY14, showed consecutive quarterly improvements, and remains robust compared to market norms. Nonetheless, it is to be noted that gross profit margin is an unusual measurement of profitability or operations for financial institutions, as the latter focuses on net bottom line, RoE, and portfolio quality. Along these measurement criteria, the Financing Businesses reported a net bottom line of LE 99.6 million for FY15, up 56.9% y-o-y, and maintained a very healthy loan portfolio quality with non-performing loans below 1% and with a coverage ratio in excess of 100%. ROAE stands at 26.2%.

The Financing Business model is built on the companies' ability to obtain leverage to fuel their lending portfolios, which widely differs from the trading or manufacturing business models 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, Drive and Tasaheel) allows the companies to borrow up to 8x Shareholders' Equity. Total leverage for the Financing Businesses stood at 2.74x as at December 31st, 2015.

Others



PAL is GB Auto's newly launched Lubricants business. It distributes Gazprom Neft-Lubricants at GB Auto-branded and third-party points of presence in the Egyptian market under an exclusive strategic alliance with Gazprom Neft. The company had announced in January 2014 that it has entered into an exclusive strategic alliance to distribute Gazpromneft Lubricants, giving GB Auto access to a 400-450 tons per year market that grows at an annual pace of 2-3%. The company will aim to take the partnership to other regional markets, possibly incorporating other lines of business from Gazpromneft's downstream portfolio, following a successful rollout in Egypt at both GB Auto-branded and third-party points of sale.

GB Auto's Retail arm operates retail After-Sales outlets to distribute tires, tire parts, batteries, parts and lubricants. These points of presence also offer services including tire installation and balancing, battery services, and the sale and injection of lubricants in select locations. Operations are expected to launch in 2Q16.

The company's western-style pre-owned car operation, Fabrika, is now operational at all GB-owned points of presence in Egypt, with operations having started in 2014 and the market proving receptive. Management anticipates further announcements regarding product representations within GB Auto-branded service centers and third-party points of sale in the near future.

2015 Business Review

PAL operations showed substantial and promising growth in 2015, as revenues jumped to LE 33.9 million from to LE 2 million during the previous year. The division's sales and profits were in line with management's expectations and GB Auto anticipates further announcements regarding new product representations within company-branded service centers and third-party points of sale in the near future.

Fabrika also posted solid figures for FY15 as it continued to steadily grow its sales and expand its range of products.

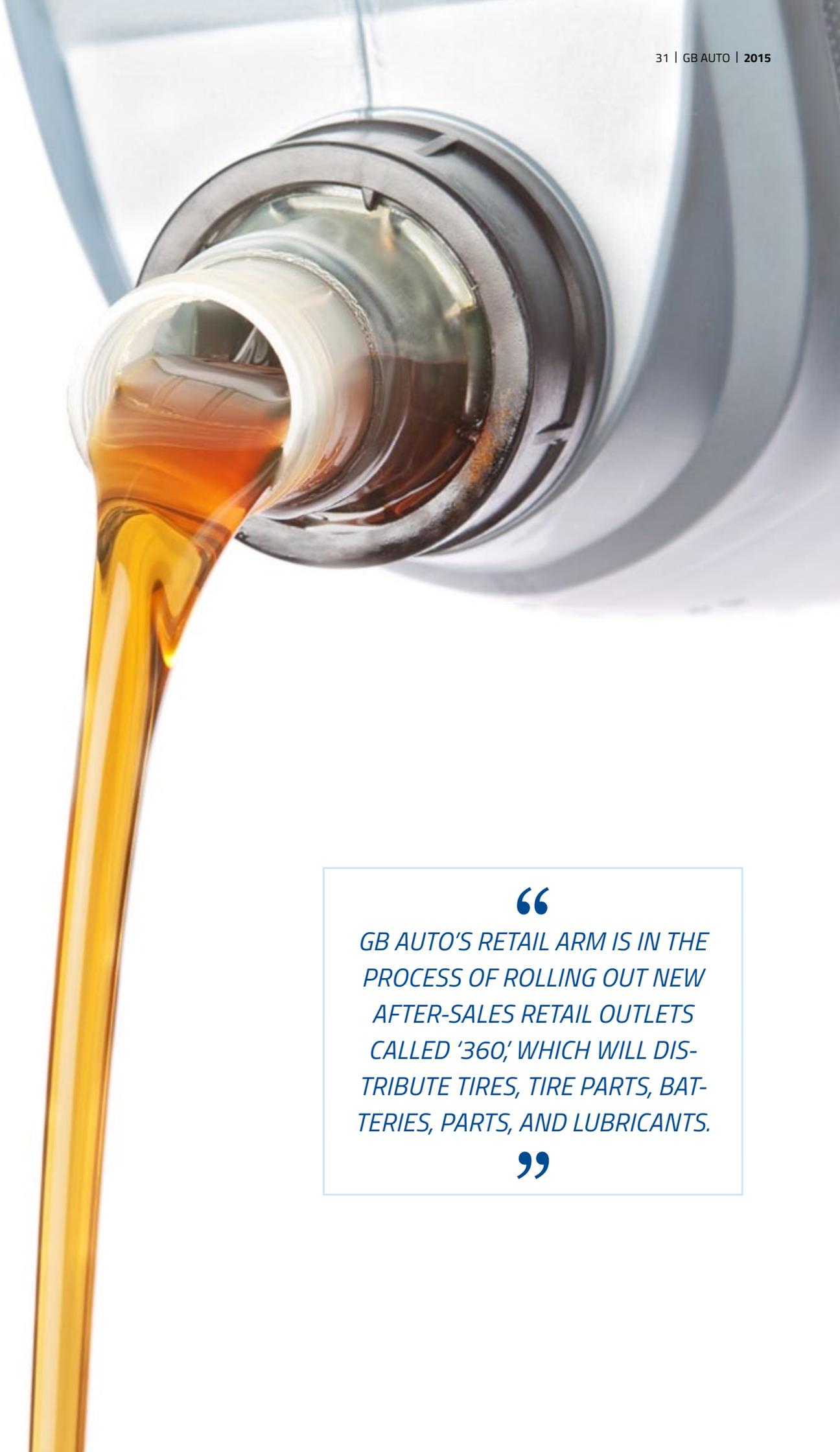
GB Auto's pre-owned vehicles operation closed the year with LE 42.0 million in sales revenues, compared to LE 22.0 million the year before.

The division's gross profit margin also increased, coming in at 20.9%, showing an improvement of 14.4 percentage points over FY14.

GB Auto's Retail arm is in the process of rolling out new After-Sales retail outlets called '360,' which will distribute tires, tire parts, batteries, parts, and lubricants. These points of presence will also offer services, including tire installation and balancing, battery services, and the sale and injection of lubricants in select locations.

Overall, new divisions contributed positively to the group's gross profits in 2015 and are set to deliver solid results and further contributions from 2016 onwards.



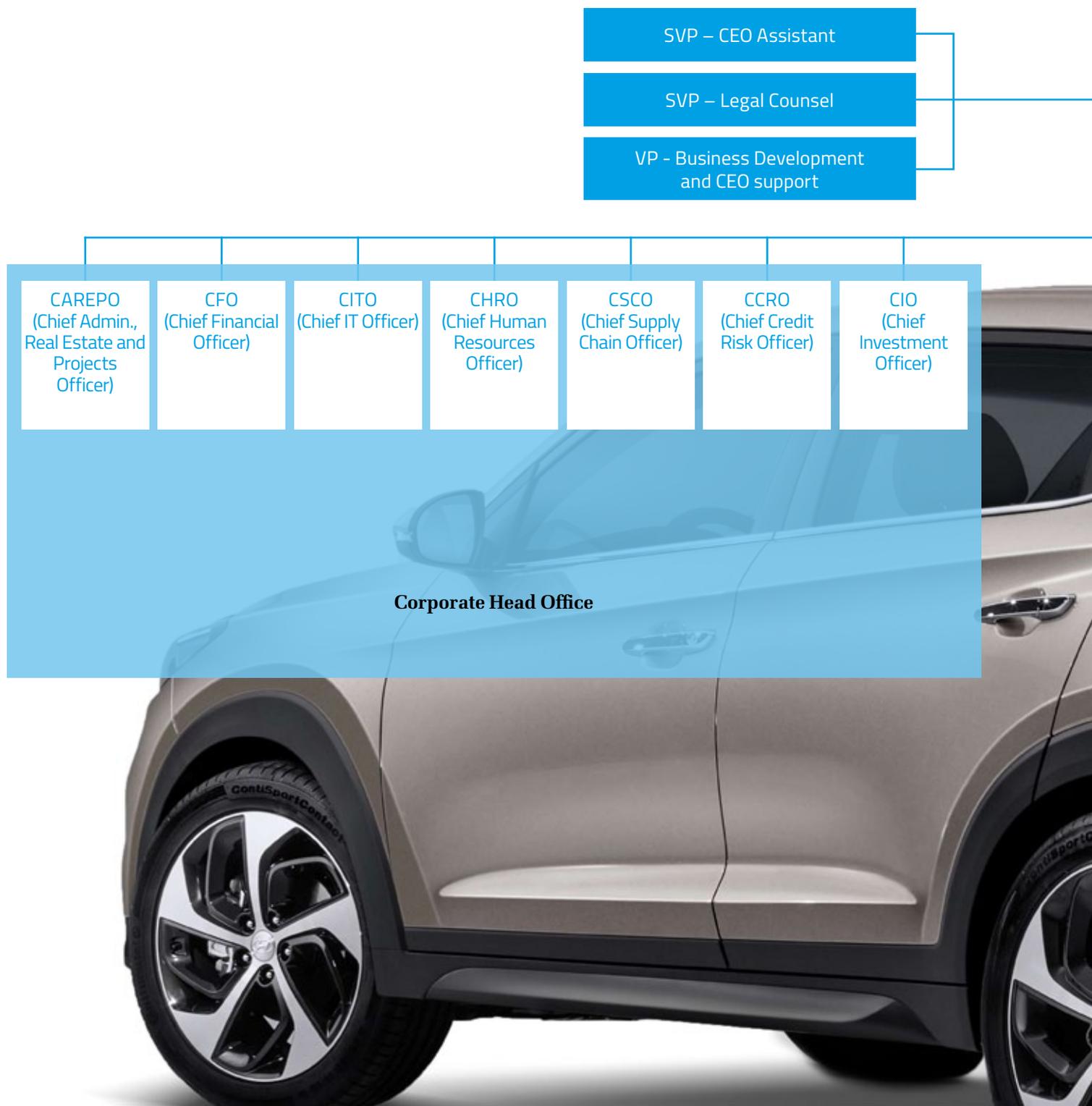


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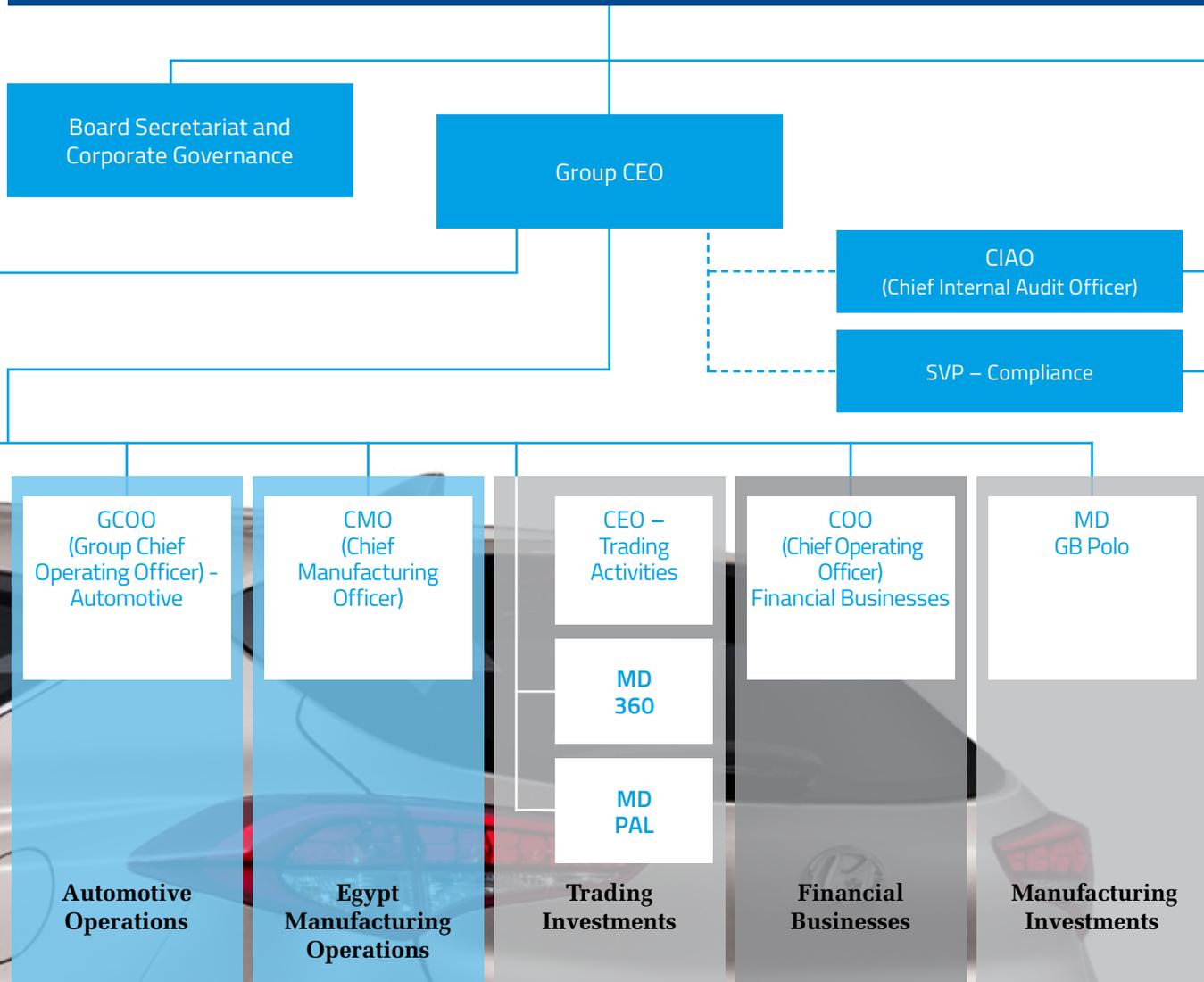
GB AUTO'S RETAIL ARM IS IN THE PROCESS OF ROLLING OUT NEW AFTER-SALES RETAIL OUTLETS CALLED '360,' WHICH WILL DISTRIBUTE TIRES, TIRE PARTS, BATTERIES, PARTS, AND LUBRICANTS.

”

Organizational Structure



Board of Directors



Board of Directors



DR. RAOUF GHABBOUR

CHAIRMAN OF THE BOARD OF DIRECTORS AND
CHIEF EXECUTIVE OFFICER

Dr. Raouf Ghabbour founded the Ghabbour Group of Companies, which he started incepting in 1985. Dr. Ghabbour began his career working in his family's auto-related trading business, where he initially established himself in the Tires division. Having quickly gained a commendable reputation in the market for being business savvy, Dr. Ghabbour went on to acquire agency agreements from global OEMs, which he transformed into successful businesses. Dr. Ghabbour has grown the company to a leading automotive assembler and distributor in the Middle East and North Africa.



MR. ALADDIN HASSOUNA SABA

NON-EXECUTIVE DIRECTOR

Mr. Aladdin Hassouna Saba is the co-founder and chairman of Beltone Financial, a leading regional financial services institution operating in the fields of Investment Banking, Asset Management, Private Equity, Brokerage, and Equity Research. Mr. Saba is also a founding member of the Egyptian Investment Management Association, in addition to the Egyptian Capital Markets Association. Mr. Saba sits on the boards of the Egyptian Stock Exchange, National Bank of Egypt, as well as various corporations and investment funds.



MR. KHALED KANDIL

NON-EXECUTIVE DIRECTOR

Mr. Khaled Kandil joined the Board of Directors after serving GB Auto as COO for Hyundai Motor Corp operations. He joined the company from ExxonMobil, where he was most recently vice-chairman of ExxonMobil Egypt and managing director of ExxonMobil Lubricants and Specialties covering operations in North and East Africa. He participated in the merger between the Exxon and Mobil corporations as well as a number of market entry and exit projects in South America, South East Asia, and Africa. A 32-year veteran of the oil and gas industry, in 1996 he headed a business reengineering project for the company's Egyptian operations, after which he led the implementation of Mobil Lubricants' integrated business strategy. This strategy saw the company become the market leader in less than one year, after being traditionally the third-ranked market player.



MR. MOSTAFA EL MAHDI

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

Mr. Mostafa El Mahdi brings to GB Auto 22 years of experience at KPMG, where he joined in 1990 before being promoted to Partner in 2001. While there, he was Head of the Manufacturing and Consumer Market line of business and the Responsible Partner for Audit Efficiency. Mr. El Mahdi has also worked as Chief Internal Auditor and Advisor to the President of the Board of Directors for IGI. He has extensive experience in restructuring projects and transaction services, including due diligence and mergers and acquisitions. Mr. El Mahdi holds a BA in commerce degree with a focus in Accounting from Cairo University and is a Fellow of the Egyptian Society of Accountants and Auditors, as well as a Member of the American Institute of Accounts and Auditors.



MR. NADER GHABBOUR

EXECUTIVE DIRECTOR AND GROUP CHIEF OPERATING OFFICER FOR AUTOMOTIVE

Mr. Nader Ghabbour started his career at GB Auto as a showroom sales representative for the Passenger Car division. He worked his way up to running the daily sales operations within the showroom and later assumed the role of showroom sales supervisor and manager. Mr. Ghabbour's managerial capabilities were proven when he took on the more strategic role of managing the business-to-business arm of the Passenger Car segment. He currently serves as the chief operating officer for the Passenger Car division, managing the Passenger Car sales and after-sales functions, regional operations, and the Motorcycle and Three-Wheeler operations. Mr. Ghabbour graduated with a BA in business administration from Boston University.



DR. WALID SULAIMAN ABANUMAY

NON-EXECUTIVE DIRECTOR

Dr. Walid Sulaiman Abanumay has been the Managing Director of Al-Mareefa Al Saudia Company since 1997, where he oversees investments in both developed and emerging markets. Mr. Abanumay has held several executive roles: between February 1993 and January 1994, he was the general manager of the Investment Department of the Abanumay Commercial Center; between November 1990 and February 1993, he worked in the Treasury and Corporate Banking department of SAMBA. Mr. Abanumay is a board member of several prominent companies, including: Madinet Nasr for Housing and Development (since 1998), Raya Holding (since 2005), and Beltone Financial.



MR. YASSER HASHEM

NON-EXECUTIVE DIRECTOR

Mr. Yasser Hashem is a managing partner of the renowned law firm, Zaki Hashem and Partners. A member of the Egyptian Bar Association since 1989, Mr. Hashem graduated from the American University in Cairo with an undergraduate degree, and achieved his LLB in 1989 from Cairo University.

Management



DR. RAOUF GHABBOUR

CHAIRMAN OF THE BOARD OF DIRECTORS AND
CHIEF EXECUTIVE OFFICER

Dr. Raouf Ghabbour founded the Ghabbour Group of Companies, which he began incepting in 1985. Dr. Ghabbour began his career working in his family's auto-related trading business, where he initially established himself in the Tire division. Having quickly gained a commendable reputation in the market for being business savvy, Dr. Ghabbour went on to acquire agency agreements from global OEMs, which he transformed into successful businesses. Dr. Ghabbour has grown the company to a leading automotive assembler and distributor in the Middle East and North Africa. Dr. Ghabbour graduated from Cairo University's Faculty of Medicine in 1976.



MR. MOSTAFA EL MAHDI

CHIEF FINANCIAL OFFICER

Mr. Mostafa El Mahdi brings to GB Auto 22 years of experience at KPMG, where he joined in 1990 before being promoted to partner in 2001. While there, he was head of the Manufacturing and Consumer Market line of business and the responsible partner for Audit Efficiency. Mr. El Mahdi has also worked as chief internal auditor and advisor to the president of the Board of Directors for IGI. He has extensive experience in restructuring projects and transaction services, including due diligence and mergers and acquisitions. Mr. El Mahdi holds a BA in commerce degree with a focus in Accounting from Cairo University and is a Fellow of the Egyptian Society of Accountants and Auditors, as well as a Member of the American Institute of Accounts and Auditors.



MR. NADER GHABBOUR

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MRS. AMAL RAGHEB

EXECUTIVE DIRECTOR AND GROUP CHIEF OPERATING OFFICER FOR AUTOMOTIVE

Mrs. Amal Ragheb joined GB Auto in October 2009 as chief operating officer of financing businesses. She is responsible for all of the group's financing business activities — Leasing, Microfinance, Consumer Finance, and Factoring — and holds the position of eExecutive chairman for each of the aforementioned entities. Mrs. Ragheb is also the chief credit risk officer, in charge of all credit risk management policies and applications for the group, as well as collections under legacy credits. A seasoned hands-on and results-oriented banker with a proven track record spanning over 29 years, Mrs. Ragheb joined GB Auto from Mashreq Bank, Dubai, UAE, where she held the position of senior vice president, Risk Management for two years. While at Mashreq Bank, Mrs. Ragheb spearheaded new international growth initiatives, moving from its branch in Egypt where she was CEO and country manager for four years, during which time she restructured and revamped the bank, setting forth its future growth strategies in Egypt.

Mrs. Ragheb started her banking career with Bank of America where she spent 23 years, holding a series of positions in Cairo and Dubai. She rose to become Bank of America's country manager and CEO for Egypt, as well as regional manager for the MENA region, Turkey, and Africa, in which capacity she managed and set the bank's strategies for the subject markets and oversaw its global business in the region. During her tenure at Bank of America, she was awarded the "Deal Team Honor of Excellence," as well as the "Best Contact Officer of the Year." Mrs. Ragheb holds a BA and MA in economics, both of which from the American University in Cairo.



MR. AYMAN AL KADY

CHIEF ADMINISTRATION, REAL ESTATE, AND PROJECTS OFFICER

Mr. Ayman Al Kady joined GB Auto in November 2015 as chief of Administration, Real Estate and Projects. Those three functions support GB Auto's subsidiaries with a wide range of services. Mr. Al Kady is an electrical power engineer and CFM with around 30 years of experience in administration, facilities management, and program management. Prior to joining GB Auto, Mr. Al Kady was the general manager at Cairo Festival City Mall and a director of administration and facilities management at several multi-nationals, including Vodafone Egypt and Orascom Construction Industries in Algeria, and telecom provider Etisalat.



MR. GHASSAN KABBANI

CHIEF OPERATING OFFICER OF TWO- AND THREE-WHEELERS

Mr. Ghassan Kabbani brings more than 30 years' experience to GB Auto. He first worked in the family textile business from 1980 through 1994, when he left to join T.E.S. sheet metal. In 1996, together with Dr. Ghabbour and other partners, he established CITI (a two- and three-wheeler company). In 2007 CITI merged with GB Auto, at which time Mr. Kabbani joined the company. Mr. Kabbani graduated from AUC in 1979 with a BA in economics and business administration.



MR. HAYTHAM ABOU TALEB

CHIEF INTERNAL AUDIT OFFICER

Mr. Haytham Abou Taleb brings to GB Auto over 17 years of experience in the review of governance, risks, and internal controls. Prior to joining GB Auto, he served as group internal audit manager at AW Rostamani Holding LLC, UAE; group internal auditor at Al Futtaim Holding LLC, UAE; and senior internal auditor at Social Fund for Development (UNDP), Egypt. He is a specialist in internal control and governance processes review, compliance, and continuous auditing; business process improvement and cost saving practices; fraud detection / investigation; and data mining and systems / business applications general controls review. Mr. Abou Taleb is experienced in the automotive, financial services, retail, insurance, construction sectors and holding companies in the MENA region. He graduated from the Faculty of Commerce at Ain Shams University and holds a postgraduate degree in banking, credit management from AUC. He is a Certified Internal Auditor and Certified Internal Controls Auditor, member of the Institute of Internal Auditors, USA, the Internal Control Institute, USA, and the Association of Fraud Examiners, UAE Chapter.



MR. KARIM GADDAS

CHIEF EXECUTIVE OFFICER OF TIRES

Mr. Karim Gaddas joined GB Auto in 2015 as chief executive officer of Tires, boasting 20 years of experience in general management, operations, and sales and marketing. In the last 16 years he occupied various positions at Pirelli that included headquarter-level roles in Milan and regional-level roles in Paris, Cairo, Alexandria, and Dubai. In addition to being the global sales director for BU trucks, the CEO of the company's Middle East and India operations, and the CEO of African and Egyptian operations, Mr. Gaddas also served as Pirelli's vice chairman. He was also a member of the board at the Alexandria Tire Company for eight years. Mr. Gaddas began his career in 1996 at Gewiss, an electrical materials company based in Bergamo, Italy, where he was the area manager for Central America, the Middle East, and Africa. He holds a BA in business administration from the Sup de Co Montpellier in France and an MBA from SDA Bocconi in Milan, Italy.



MRS. MENATALLA SADEK

CHIEF INVESTMENT OFFICER

Mrs. Menatalla Sadek joined GB Auto in December 2011 to lead the creation of an in-house corporate finance department to screen, initiate, and conclude merger and acquisition transactions as part of the company's growth strategy. Mrs. Sadek is also directing the firm's investor relations activities. She is a member of the company's Executive Committee and a regular attendee of the firm's board meetings. Mrs. Sadek brings with her more than a decade of experience in the investment field in Egypt and Europe. She was head of consumer goods research at regional investment bank Beltone Financial, where she was part of the team that helped take GB Auto public. Previously, she was in Sweden with Standard & Poor's European Rating Team, and was earlier assistant corporate manager at Barclays Bank. Sadek is a CFA Charterholder.



MR. OSSAMA EL AWADY

CHIEF SUPPLY CHAIN OFFICER

Mr. Ossama El Awady joined GB Auto in 2014 and comes with more than 17 years of multinational experience within the Supply Chain. Mr. El Awady worked in different roles across the supply chain at Unilever from 1997 (post-graduation) until joining GB Auto. His most recent role was in Global Material Procurement. Mr. El Awady has multi-function experience (R&D, manufacturing, supply chain logistics, planning, warehousing and procurement), as well as cross regional supply chain experience, where he has led teams both remotely and physically in manufacturing, planning and logistics, and procurement, across regions of Africa, Turkey, the Middle East and Russia. He has a track record of setting regional and global strategies, as well as seamless execution, especially in start-up operations and emerging businesses. Mr. El Awady is an industrial engineer graduate from Alexandria University.



MR. RAMEZ ADEEB

CHIEF MANUFACTURING OFFICER

Mr. Ramez Adeeb joined GB Auto in 1995, holding a number of positions and gaining experience in functions including planning, engineering, and quality control until he left the company in 2001 for a position as a project manager at RITEC Consultancy. Mr. Adeeb rejoined GB Auto in 2003, garnering additional experience in the segments of localization management, aggregate planning, sales technical support, industrial projects management and, finally, the group technical support directorship. Mr. Adeeb graduated with a BA from Cairo University's Mechanical Engineering Department in 1993. He served as a research assistant in Rotor Dynamics and Vibration at Cairo University from 1994-95. He earned an MBA in marketing management from the Netherlands' Maastricht School of Management in 2005.



MR. WISSAM AL-ADANY

CHIEF INFORMATION TECHNOLOGY OFFICER

Mr. Wissam Al-Adany joined GB Auto in 2015, bringing with him over 19 years of experience in information technology management that included four years of international experience in Brazil, France and Kazakhstan. Prior to joining GB Auto, Mr. Al-Adany served as group chief information technology officer of the Americana Group — whose major shareholder is the multinational Al Kharafi Conglomerate — where he managed the group's IT Operations for 15 companies. He started his career with GlaxoSmithKline as a senior systems engineer, and from there moved on to Lafarge as Country IT Director for four years. Mr. Al-Adany has deep techno-functional knowledge in all facets of IT and a robust track record in IT infrastructure management, service delivery, ERP implementation and techno-commercial support. He holds a BSc in communications and electronics engineering from Ain Shams University in Cairo, and an MBA from the American University in Cairo.

Human Resources

People are GB Auto's backbone and are our most valuable asset and resource: From the boardroom to the assembly line to the sales floor, GB Auto's success is driven by its people. Knowing that, the company has invested heavily in all aspects of its human resources. GB Auto and all its subsidiaries and ventures had 8,034 staff members in employment as of 31 December, 2015.

GB Auto HR Initiatives

Believing the success of the company depends on the wellbeing, motivation and satisfaction of its staff, GB Auto's Human Resources Department has launched a number of key initiatives, chief amongst them were:

- Channeled partial proceeds from the rights issue to staff members benefiting from the Employee Stock Ownership Program, ESOP, which was launched in late 2014. ESOP has two tranches — discounted shares and free shares — with a lock-up and vesting period of two and three years. The shares granted to staff members through ESOP are based on performance, grade, and seniority.
- Created a new medical department to cater to all aspects of our staff members' medical and health-related needs. In that vein, the department conducted medical check-ups, launched seasonal flu vaccination programs, and organized a number of health and safety awareness events during the year.
- Further updated the company's very competitive medical insurance scheme and enhanced the Life and Accident Insurance plan, both of which were launched in the second half of 2014.
- Finalizing a savings and pension plan for staff, which will be released shortly.
- Implementing a system of salary reviews based on Hay benchmarking, providing for standard annual as well as performance merit increases.
- Recognizing "Employees of the Month," which is currently being piloted in select business units.
- Enhancing focus on training and development to manage a successful career path.

GB Academy

Realizing the value and importance of enhancing the knowledge and skill sets of all our technical and business teams, GB Auto established the GB Academy in 2010. The GB Academy began as a collaboration agreement between GB Auto and Centennial College of Toronto, Canada.

Located in Abu Rawash, Giza, the academy training site opened its doors in June 2013 and has since been training the nearly 8,000 GB Auto employees both nationally and regionally.

GB Academy's mission is to deliver premium quality training to ensure improved work standards, a qualified workforce, superior customer satisfaction, and a diversified training portfolio.

The 3,400 square meter training facility includes automotive technical blended-use workshops, business skills classrooms, an assessment center and meeting rooms along with an indoor-outdoor conference center.

Today, the GB Academy trains an average 100 people per day and has a portfolio of more than 185 courses on topics ranging from automotive basics, brand-specific technical training, product launches and upgrades training, business skills and management training.

During 2015, the academy signed a cooperation agreement with Cisco that now allows it to offer the full-range of Cisco Academy ICT training courses to both GB Auto staff members and non-staff members to help them embrace the growing technology in today's Internet-of-Things Era.



Corporate Social Responsibility at GB Auto

Corporate Social Responsibility (CSR) has always been an important part of GB Auto's business philosophy. We have always been keen to contribute, in a variety of ways, to the well-being of our people, the environment, and the communities in which we live and work.

In 2015, in an effort to align our CSR initiatives with our business strategy and ensure they are managed in a business-driven approach, we established an independent and fully-fledged CSR department.

GB Auto's CSR strategy rests on four primary pillars that we believe are important for our business, community, and stakeholders. Our goal is to make CSR part of the value proposition we offer our customers, business partners, investors, and employees, and to communicate and measure our CSR ambitions and efforts.



Our Commitment to Vocational Education

Our first area of focus is Vocational Education and Training, which centers around skill acquisition – vital for the growth and competitiveness of the Egyptian economy. The absence of a competent workforce hinders economic development and reform, leaving industrial sectors in Egypt in dire need of skilled and well-trained labor. Vocational Education and Training aims to provide workers with the skills they need to meet the evolving needs of employers and the economy. GB Auto works closely with the Egyptian government and local educational institutions to develop more efficient educational systems and modules at schools and training facilities. Our short-term goal is to adopt and reform automotive schools in Cairo, and in the long run we aim to extend our reach to the whole of Egypt.

Our Promise to our People

Our second area of focus is our People. Our employees are fundamental to our success, and we hold their health and safety in the highest regard. GB Auto HR's newly-launched medical department, together with CSR, are charged with implementing proactive, relevant, and efficient employee wellbeing programs that manage the highly complex, diverse, and ever-changing health and safety needs of our employees in the workplace. As we believe that employee wellbeing is at the core of GB Auto's new sustainability model, the CSR department, in collaboration with the medical department, ran annual medical check-ups and launched seasonal flu vaccination and health awareness campaigns. We also launched employee engagement surveys to gauge and assess staff members' views on all matters pertaining to the quality of their work environment.

Our Concern for Safer Roads

Our third area of focus is Road Safety. GB Auto recognizes the gravity of the road safety problems all Egyptians face. Car accidents are the second major cause of fatalities in Egypt, killing around 12,000 people a year, according to a World Health Organization (WHO) report. GB Auto is committed to protecting the lives of its employees, customers, and suppliers by helping raise awareness and encouraging drivers to become more safety conscious.

Our Responsibility towards our Community - Philanthropy

GB Auto continues to focus on fulfilling its Philanthropic Duties, going beyond the prevention of potential harm to helping improve public welfare. In 2015, the company invested over LE 4 million in projects that aided in the creation of opportunities for disadvantaged members of Egyptian society, and those who struggle due to identity, financial status, and gender. We have supported mothers-in-debt, organized orphan days at Kidzania, and provided funding to foundations that support street children.



Audited Financial Statements

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Board Report

The Directors of GB Auto are pleased to present their Annual Report together with the audited consolidated financial statements for the year ended December 31, 2015.

Principal Activities

GB Auto is a leading player in the MENA region's automotive industry and is the holding company for a group of subsidiaries operating at all levels of the value chain, including assembling, distributing, and selling Passenger Cars and commercial vehicles, manufacturing semi-trailers and superstructures for trucks and buses, selling automotive components, motorcycles, and three-wheelers, tires, and construction equipment, as well as providing after-sales service through a nation-wide after-sales service network and non-bank financial services that include financial leasing, factoring, consumer finance, and microfinancing. The company owns and operates four manufacturing and assembly facilities for Passenger Cars and commercial vehicles.

The detailed analysis by line of business is dealt with by management elsewhere in this Annual Report.

Operating Results

The consolidated group revenue for the year 2015 reached LE 12,264.7 million versus LE 12,322.1 million the previous year, a decrease of 0.5%. Net profit for the year, after accounting for minority interest, stood at LE 233.1 million, rising by 34.4% from 2014 levels.

Dividends

The shareholders will discuss any suggested profit distributions at the upcoming Annual General Assembly Meeting.

Directors

The Directors of the company are shown on pages 34 and 35 of this Annual Report. Also provided is their industry background information. The Board is constituted of four Non-Executive Directors and three Executive Directors.

Corporate Governance

The Board is committed to and provides oversight to the management of GB Auto and its subsidiaries, meeting at least three times each year. The Board has created a Corporate Governance Committee of three members, an Audit Committee of three independent directors along with representatives from company management, and a Remuneration Committee made up of three independent directors together with representatives from company management.

Employees

The number of employees at GB Auto and its subsidiaries as of December 31, 2015 was 8,034 including all subsidiaries and ventures.

Shareholders

The shareholding structure of the company as of December 31, 2015 was as follows: Dr. Raouf Ghabbour family and related parties holding 58.7%; public holding 41.3%.

Annual General Meeting

The annual general meeting was held at 11:00 am on 1 April 2016 at the GB Academy Building, 6th of October – KM 28, Cairo-Alexandria Desert Road.

Auditor

A resolution will be proposed to appoint the external auditor and authorize the fees charged. The external auditor authorizes the directors to determine their remuneration at the Annual General Meeting.

Approved by the Board
1 April 2016



Corporate Governance Report

GB Auto is committed to following the principles of good corporate governance and has institutionalized corporate governance guidelines in compliance with the applicable laws and the regulations of the EGX.

To enhance shareholders' value and protect stakeholders' interests, the company has taken steps to ensure transparency, accountability, and effective internal controls. The key corporate governance principles and practices are as follows:

The General Assembly

The General Assembly (GA) is the ultimate governing body of the company. The GA:

- Includes all the shareholders of the company.
- Takes its decision by voting among shares represented in the meeting. The voting rule is: 1 share = 1 vote for all shares.
- Holds at least one ordinary meeting per year and may hold extraordinary meetings as needed.
- Has responsibilities based on the laws and company statutes.
- Appoints the Board, approves the financial results, appoints the external auditors, and approves dividend distributions; it can take further extraordinary decisions at the extraordinary meetings.

Disclosure Rules and Transparency

GB Auto is subject to disclosure rules and the new listing rules set by the EGX and approved by the Egyptian Capital Markets Authority on June 18, 2002. The company is in compliance with the corporate governance, financial reporting, and disclosure provisions of the rules.

In addition to reporting its financials on a quarterly basis and announcing all major news and developments of the company, GB Auto follows complete transparency about all material matters regarding the corporation, including company objectives, financial and operational results, major share ownership and voting rights, information about Board members, related party transactions, foreseeable risk factors, and governance structures and policies.

The Board confirms that there is an ongoing process for identifying, evaluating, and managing the risks faced by the

company, and that the process has been in place for the year under review and up to the date of approval of the annual report and accounts.

Board Committees

The Board has established three committees to assist in discharging its oversight responsibilities. Each committee consists of four independent non-executive members.

The Audit Committee

The Audit Committee's primary purpose is to focus on aspects of financial reporting and on the entity's processes to manage business and financial risk, and for compliance with significant applicable legal, ethical, and regulatory requirements. Additionally, the committee assists the Board in its oversight of:

- The integrity of the company's financial statements.
- The company's compliance with legal and regulatory requirements.
- The independent auditor's qualifications and independence.
- The performance of the company's internal audit function and independent auditors.

President

- Alaa Saba

Members

- Yasser Hashem
- Khaled Kandil
- Walid Sulaiman Abanumay

The Remuneration Committee

The Remuneration Committee's primary purpose is to assist the Board in its oversight of all matters relating to director compensation. The Remuneration Committee:

- Determines the remuneration policy of the company and makes recommendations to the Board on the policy and structure for remuneration and fees of senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration as it may consider appropriate.
- Determines and agrees with the Board the broad policy for the remuneration of the Board Executive Directors, the

Chairman, and other members of executive management.

- Recommends, monitors, and notes the level and structure of remuneration for senior management.
- The fees and other payment arrangements for Non-Executive Directors are matters for consideration by a sub-committee of the Board, consisting of the Chairman and one or more Executive Directors, which shall make recommendations to the Board as a whole.

President

- Alaa Saba

Members

- Yasser Hashem
- Khaled Kandil
- Walid Sulaiman Abanumay

Corporate Governance Committee

The Corporate Governance Committee is appointed by the Board of Directors to assist the Board in fulfilling its responsibilities with respect to four key matters:

- Overseeing the development and the regular assessment of GB Auto's approach to corporate governance issues.
- Ensuring that such approach supports the effective functioning of GB Auto, with a view to the best interests of the shareholders and effective communication between the Board of Directors and the management team.
- Overseeing the process, structure, and effective system of accountability by management to the Board of Directors and by the Board to the shareholders, in accordance with applicable laws, regulations, and industry standards for good governance practices.
- Carrying out the functions and responsibilities of a nomination committee to recommend to the Board of Directors candidates for election or appointment to the Board of Directors.

President

- Yasser Hashem

Members

- Alaa Saba
- Khaled Kandil
- Walid Sulaiman Abanumay

