



## **Corporate structure simplification with an internal merger of GB Auto and RGI – paving the way for future strategic opportunities for GB Capital to unlock value for shareholders**

*Transaction removes intermediary layer between GB Auto and its fast-growing non-bank financial services subsidiary; will have no impact on the consolidated financial results nor segmented financials of either company*

3 September 2019

(Cairo, Egypt) — GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and non-bank financial services provider in Egypt, announced today that shareholders have approved a restructuring that will position key subsidiary GB Capital to pursue a range of potential strategic options.

Shareholders convening at an extraordinary general meeting in Cairo approved today a resolution that empowers management to merge GB Auto with R.G. Investments (RGI). GB Auto currently owns 99.9% of RGI.

The net effect of the transaction, which will take place at book value, will have no impact on the consolidated financial figures of GB Auto.

"The merger of RGI with GB Auto is the first step in positioning GB Capital to pursue potential strategic options in the future. It removes an intermediary layer between the two companies that no longer serves a practical purpose," said GB Auto Chief Executive Officer Raouf Ghabbour. "GB Capital is one of the largest, most-established and most-diversified companies in Egypt's attractive non-bank financial services sector — and one of the fastest growing. This transaction will position GB Capital to efficiently pursue any one of a number of potential strategic options for growth in the years to come."

—Ends—





### **About GB Auto S.A.E.**

GB Auto S.A.E. (AUTO.CA on the Egyptian Exchange) is a leading automotive company in the Middle East and non-bank financial services provider in Egypt. Across six primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, After-Sales, and Iraqi operations — the company's main business activities include assembly, manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Pirelli, Westlake, Double Coin, Doublestar, Verde, Techking, and Gazpromneft GB Auto has operations in Egypt and Iraq. The company's NBFS segment, branded GB Capital, offers leasing, consumer finance, microfinance and fleet quasi-operational leasing under the following brands: GB Lease, Mashroey, Drive, Tasaheel and Haram. The company is headquartered in Giza, Egypt.

[www.ghabbourauto.com](http://www.ghabbourauto.com)

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### **Forward-Looking Statements**

This document may contain certain "forward-looking statements" relating to the Company's business. These may be identified in part through the use of forward-looking terminology such as "will," "planned," "expectations" and "forecast" as well as similar explanations or qualifiers and by discussions of strategy, plans or intentions. These statements may include descriptions of investments planned or currently under consideration or development by the Company and the anticipated impact of these investments. Any such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.