



吉利汽車控股有限公司
GEELY AUTOMOBILE HOLDINGS LIMITED

2008 Final Results

16 April 2009

Results Highlights

- Strong 2008 results due to success in “Strategic Transformation” and completion of acquisition of additional stakes in vehicle manufacturing operations
- Net profit up 191% to RMB879 million in 2008 (FD EPS up 137% to RMB 14.3 cents)
- Even excluding exceptional non-cash items, net profit was still up 115% to RMB633 million
- Final dividend up 23% to HK1.6 cents per share



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Results Highlights

- The strong earnings performance in 2008 was mainly due to:
 - 47% increase in net profits from vehicle manufacturing operations
 - Acquisition of additional stakes in vehicle manufacturing operations (from 46.8% to 91% effective 1 July 2008)
 - RMB340 million non-cash gain on negative goodwill from acquisitions;

and despite:

- startup losses at Shanghai LTI and Kingkong R&D totalled RMB19 million
- RMB100 million impairment loss on interest in Manganese Bronze Holdings PLC



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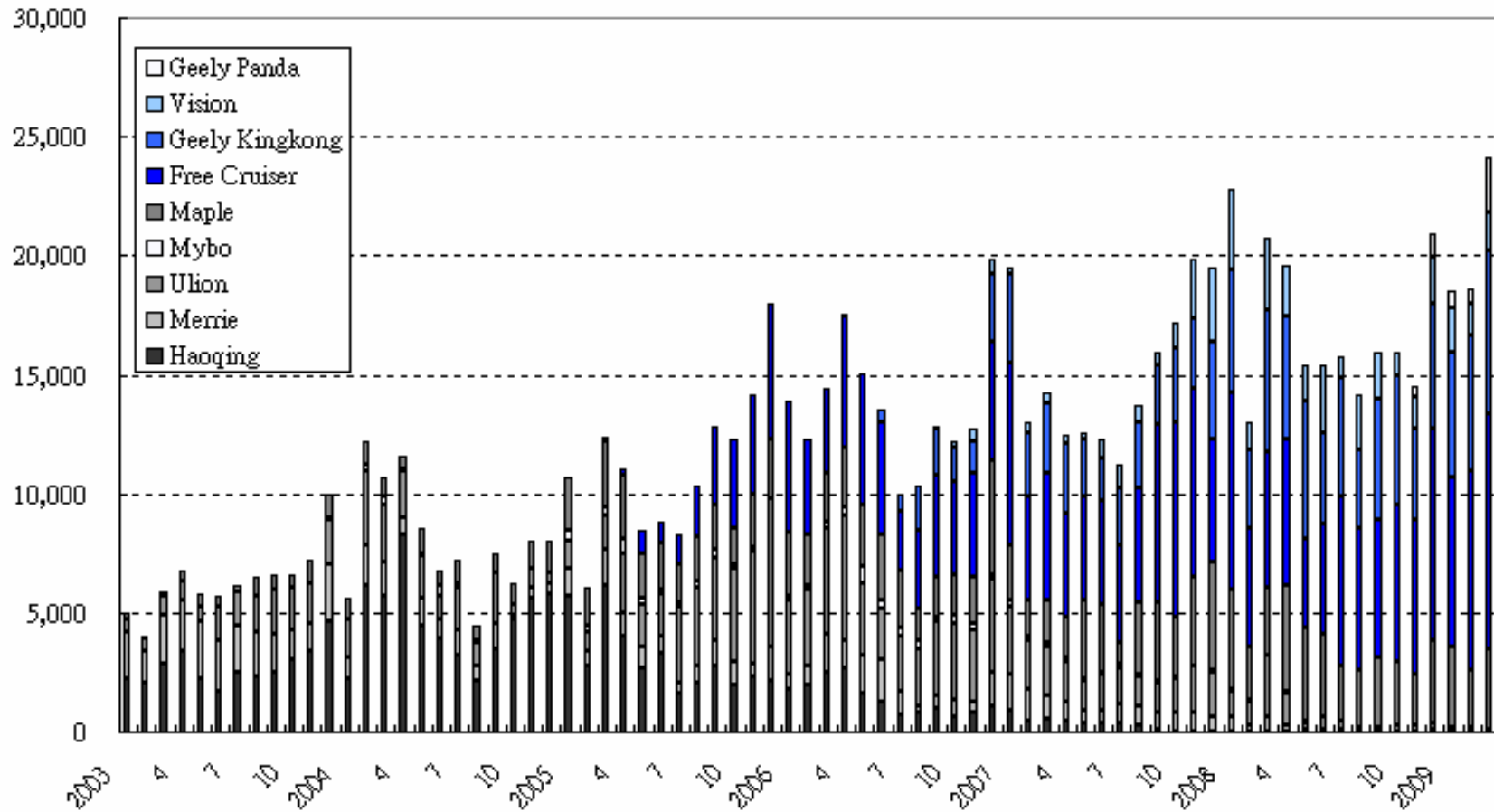
Achievements in 2008

- Completion of acquisition of additional stakes in vehicle manufacturing operations
- Stable product prices, reflecting Geely's improved brand image
- 12% growth in total sales volume
- 80% growth in exports sales volume to over 37,940 units
- 16% increase in vehicle sales revenues to RMB8.2bn
- 3% improvement in gross margin to almost 20%
- 27% improvement in net profit margin to 13%
- 3% increase in Average Selling Price



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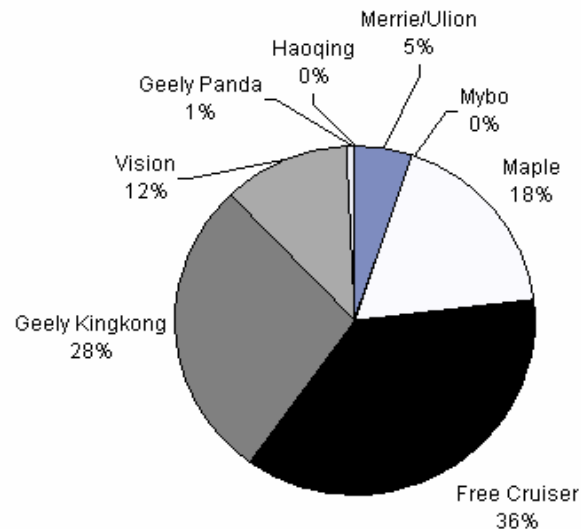
Monthly Sales Performance



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Sales Breakdown of Major PRC Subsidiaries

Sales Volume Breakdown (Y/E December 2008)			
	2008	2007	+/- % ch.
Haoqing	9	4,075	-100%
Merrie/Ulion	10,501	30,641	-66%
Mybo	284	1,470	-81%
Maple	37,017	31,196	19%
Free Cruiser	74,274	68,258	9%
Geely Kingkong	57,215	34,337	67%
Vision	23,516	11,540	104%
Geely Panda	1,389	-	-
Total	204,205	181,517	12%



- **29% YoY decrease in sales volume of lower priced models was more than compensated by the 36% increase in sales volume of higher priced models in 2008**
- **Sales of three higher priced models now accounted for 76% of total sales volume in 2008 (vs. 63% in 2007)**
- **“Free Cruiser” remained the best selling models in terms of sales volume in 2008**
- **Exports accounted for 19% of total sales volume in 2008 vs. 12% in 2007**



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Consolidated Income Statement

(RMB m, Y/E December)	2008	2007	YoY %
Revenue	4,289.0	131.7	3156%
Cost of sales	-3,637.8	-116.4	3025%
Gross profit	651.3	15.3	4151%
Other income	357.5	28.2	1169%
Distribution and selling expenses	-219.8	-3.1	7095%
Administrative expenses	-282.5	-45.4	522%
Finance costs	-61.0	-33.7	81%
Fair value gain on embedded derivative	6.3	5.4	15%
Gain on negative goodwill from acquisitions	339.8	2.8	11853%
Share of results of associates	226.3	337.8	-33%
Impairment loss - interests in an associate	-100.0	0.0	-
Profit before taxation	917.9	307.4	199%
Taxation	-51.9	-1.6	3130%
Profit after taxation	866.1	305.8	183%
Minority interests	13.0	-3.2	-501%
Profit attributable to shareholders	879.1	302.5	191%
Basic EPS (RMB cents)	15.0	6.1	145%
Diluted EPS (RMB cents)	14.3	6.0	137%

- **Results for vehicle manufacturing operation fully consolidated starting from 1 July 2008**
- **Other income included RMB203m subsidy income from government**
- **Net loss at Shanghai LTI amounted to RMB17m, after including RMB5m exchange losses**
- **Share of loss at MBH amounted to RMB38m in 2008**
- **After RMB100m write down, carrying cost of stake in MBH was only around RMB42m**



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Consolidated Balance Sheet

(RMB m, At 31 December)	2008	2007
Property, plant & equipment	3,289.3	31.0
Intangible assets	657.2	-
Interests in associates	42.2	2,040.4
Prepaid land lease payments	1,051.7	-
	5,040.4	2,071.4
Prepaid land lease payments	26.6	-
Inventories	486.7	13.9
Trade and other receivables	2,840.3	65.4
Dividend receivables from associates	-	3.4
Financial assets at fair value thru profit or loss	10.5	4.5
Tax recoverable	3.2	-
Pledged bank deposits	853.9	-
Bank balances and cash	889.4	761.7
Current assets	5,110.6	849.0
Trade and other payables	4,229.6	37.2
Amounts due to an associate	-	0.1
Taxation	57.6	0.7
Convertible bonds - embedded derivatives	12.4	18.7
Bank borrowings, secured	685.6	19.7
Convertible bonds	288.3	-
Current liabilities	5,273.5	76.4
Net current assets	-162.9	772.6
	4,877.5	2,844.0
Financed by:		
Share capital	122.5	108.3
Reserves	4,075.3	2,235.6
Shareholders' equity	4,197.9	2,343.8
Convertible bonds	-	296.9
Long-term bank borrowings, secured	87.0	-
Deferred tax liability	8.0	-
Minority interests	584.6	203.2
	4,877.5	2,844.0

- Total cash & deposit level remained strong at RMB1.7bn by the end of 2008 despite capex spending of RMB900m in 2008
- All outstanding CBs were redeemed on 10 April 2009 for a total of HK\$366 million
- Trade receivables from 3rd parties was only RMB264m
- Total payables included RMB603m trade payables to 3rd parties, RMB713m due to related parties, RMB1.76bn notes payable to 3rd parties and RMB840m advanced payment by dealers



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Major PRC Subsidiaries – Combined Income Statement

(RMB m, Y/E December)	2008	2007	YoY %
Turnover	16,728.3	10,896.4	54%
Cost of sales	-15,089.1	-9,527.9	58%
Sales tax	-15.9	-8.8	81%
Gross profit	1,623.2	1,359.7	19%
Other net operation income	417.4	206.4	102%
Distribution and selling expenses	-501.0	-467.4	7%
Administrative expenses	-327.4	-286.5	14%
Finance costs	-92.2	-59.3	55%
Profit before taxation	1,119.9	752.8	49%
Taxation	-55.2	-25.3	118%
Profit before minority interests	1,064.7	727.5	46%
Minority interests	-2.0	-3.1	-
Net profit	1,062.8	724.4	47%
Sales of motor vehicle (RMB m)	8,156.6	7,039.6	16%
Average selling price (RMB)	39,943	38,782	3%
Gross margin	19.9%	19.3%	3%
Net margin	13.0%	10.3%	27%
Net profit per car (RMB)	5,204	3,991	30%

- **Improved product mix & stable prices more than offset higher costs and thus lifted margins**
- **Admin. and distribution expenses were well controlled at 10% of sales revenues**
- **Total turnover included intra-company sales. Actual vehicle sales revenue was up 16% to RMB8.2bn**
- **Effective tax rates remained low due to better tax planning and tax holiday**



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Major PRC Subsidiaries – Combined Balance Sheet

(RMB m, At 31 December)	2008	2007
Property, plant and equipment	3,173.0	2,819.0
Intangible assest	638.7	170.4
Prepaid lease payments	1,051.7	1,026.7
Goodwill	-	40.8
Long-term deferred expenses/tax	300.6	3.6
Long-term investment	1.8	1.8
	5,165.8	4,062.3
Inventories	486.2	621.0
Prepaid lease payments	26.6	24.9
Bills receivables	1,193.2	864.6
Trade and other receivables	440.0	537.3
Amounts due from related companies	2,495.6	1,582.9
Short-term investment	10.5	11.8
Tax reoverable	3.2	6.7
Pledged deposit	853.9	-
Bank balances and cash	600.9	945.8
Current assets	6,110.0	4,595.1
Bank borrowings	685.6	562.3
Bills payables	1,834.2	736.8
Trade and other payables	2,105.2	1,421.4
Amount due to related companies	2,541.7	1,730.9
Taxation	28.5	15.8
Dividend payable	-	0.5
Current liabilities	7,195.2	4,467.7
Net current assets	-1,085.2	127.4
	4,080.6	4,189.6
Financed by:		
Share capital	3,157.3	2,879.7
Reserves	803.6	1,071.0
Shareholders' equity	3,960.9	3,950.7
Minority interests	32.7	6.8
Other long-term liabilities	87.0	232.1
	4,080.6	4,189.6

- **Both Trade Receivables and Inventory at healthy levels**
- **Cash and bank deposits totalled RMB1.5bn at PRC Subsidiaries' level**
- **Amount due to and from related companies very much offset each others**



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2009 Plan and Targets

- Produces and sell 250,000 units of vehicles in 2009, up 22% from 2008 (YTD sales volume up 8.3% to 61,226 units in 1Q2009, achieving 24.5% of full year target)
- Launches of 4 brand new products and 4 upgraded models
- Maintaining product price stability throughout 2009
- Budgeted capex at RMB600 million for existing operations in 2009
- Mass production and application of “BMBS” safety system in most Geely sedan models



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2009 New Products

- “TX-4” taxi vehicle (2.5L diesel)
- “FE-1” mid-sized sedan (1.8L, 2.0L)
- “FE-2” mid-sized hatchback sedan (1.8L, 2.0L)
- “SL” mid-sized sedan (1.8L)
- “GC” large-sized sedan (2.0L, 2.4L)
- New series of 1.0L, 2.0L, 2.4L CVVT engines
- New AT transmissions for 1.0L, 1.3L and 1.5L engines



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