



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

2010 Final Results

23 March 2011

Financial Summary

(Y/E December, RMB million)	2010	2009	YoY%
Sales volume (units)	415,843	326,710	27%
Turnover/Revenue	20,099	14,069	43%
Operating margin *	12.1%	12.0%	0%
Profit after tax	1,550	1,319	17%
Attributable profit	1,368	1,183	16%
Diluted EPS (RMB cents)	17.15	16.66	3%
Net profit - share-based payments	1,642	1,190	38%
Adjusted diluted EPS (RMB cents)	20.36	16.76	21%
Cash dividend per share (HK cents)	2.60	2.30	13%
	31 Dec	31 Dec	
	2010	2009	YoY%
Shareholders' equity	8,022	6,376	26%
Net cash/(debt) **	494	1,123	-56%

* Operating margin = Pre-tax margin before finance costs , share-based payments and results of an associate

** Net cash = all cash /bank deposits – all bank borrowings – convertible bonds



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Results Highlights

- Good 2010 results despite challenging market conditions
- Net profit up 16% to RMB1,368 million in 2010 (Diluted EPS up 3% to RMB 17.15 cents)
- Excluding non-cash expenses related to granting of share options to employees, underlying net profit was up 38% to RMB1,642 million, in line with sales volume growth of 27% and revenue growth of 43%
- Cash dividend up 13% to HK\$0.026



Results Highlights

- The strong earnings performance in 2010 was mainly due to:
 - 27% growth in sales volume
 - Better product mix and 12% increase in average ex-factory price
 - Stable production cost
 - Increase in subsidy income
- and despite:
 - Continued slow export sales
 - RMB273 million non-cash expenses related to share options
 - High startup costs at Jinan and Chengdu plants
 - Additional marketing expenses for new brands and new models
 - Operating loss at Shanghai LTI

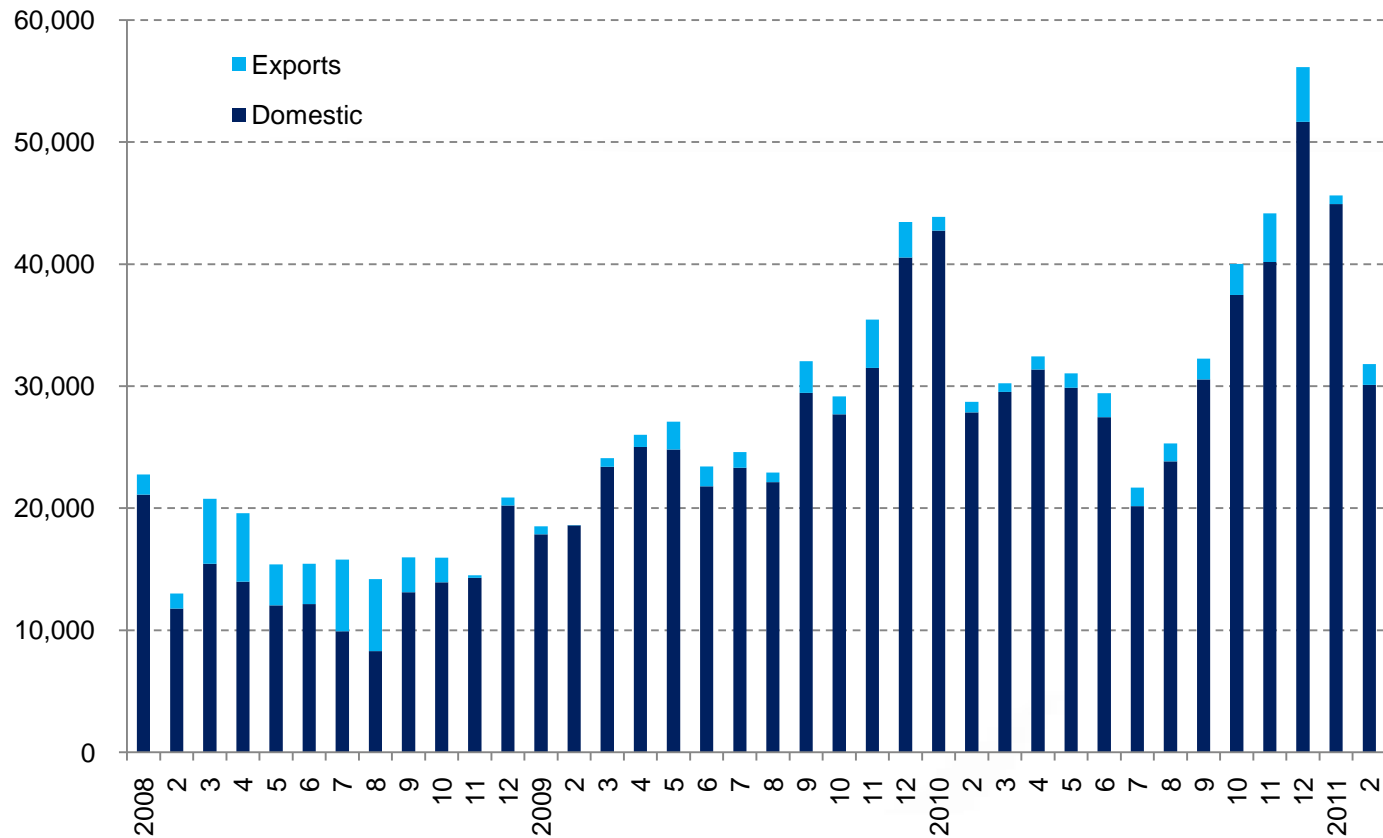


Achievements in 2010

- Stable product prices and better margins, reflecting Geely's improved brand image
- 29% growth in domestic sales volume, improving market share in China to 4.2%
- Maintaining strong financial position with net cash of RMB494m at the end of 2010 despite major investments in new capacity, brand building and new products
- 12% increase in ASP due to improved product mix
- Australia-based DSIH returned to profitability



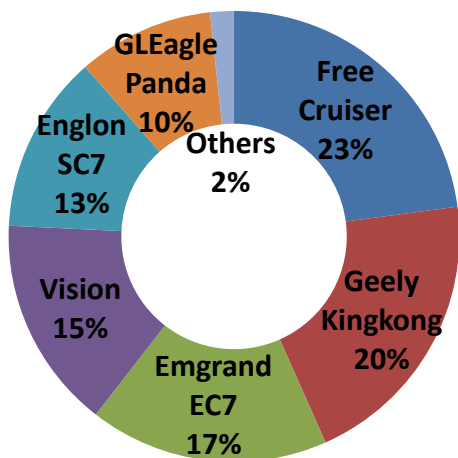
Monthly Vehicle Sales Volume Performance



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Vehicle Sales Volume Breakdown

(Y/E December)	2010	2009	+/- % ch
Ulion/Merrie	0	522	-
China Dragon	97	421	-77%
Maple	4,236	31,451	-87%
Free Cruiser	95,189	110,700	-14%
Geely Kingkong	85,063	83,590	2%
Geely Vision	63,421	52,702	20%
GLEagle Panda	40,588	28,500	42%
Englon TX4	1,033	263	293%
Englon SC7	53,124	8,363	535%
Englon SC5	432	0	-
Emgrand EC7	71,360	10,198	600%
Emgrand EC8	1,300	0	-
Total	415,843	326,710	27%



- Demand shifts towards higher-priced and bigger size cars as a result of the good market response to Englon SC7 and Emgrand EC7
- Higher-priced models accounted for 46% of total sales volume in 2010 (22% in 2009)
- Models under the three new brands accounted for 40% of total sales volume in 2010 (14% in 2009)
- Exports accounted for 4.9% of total sales volume in 2010 (5.9% in 2009)
- GLEagle Panda, Englon SC7 and Emgrand EC7 were key growth drivers in 2010



Consolidated Income Statement

(Y/E December, RMB m)	2010	2009	YoY %
Turnover/Revenue	20,099.4	14,069.2	43%
Cost of sales	-16,399.7	-11,528.5	42%
Gross profit	3,699.7	2,540.7	46%
Other income	839.1	431.5	94%
Distribution and selling expenses	-1,190.1	-764.6	56%
Administrative expenses	-922.9	-516.8	79%
Recognition of share-based payments	-273.4	-7.3	3627%
Finance costs	-244.8	-107.2	128%
Loss on early redemption of CBs	0.0	-16.0	-
Gain on disposal of interests in an associate	0.0	5.2	-
Share of results of an associate	-7.3	-15.1	-52%
Profit before taxation	1,900.3	1,550.5	23%
Taxation	-350.6	-231.4	51%
Profit for the year	1,549.7	1,319.0	17%
Non-controlling interests	-181.3	-136.3	33%
Profit attributable to shareholders	1,368.4	1,182.7	16%
Basic EPS (RMB cents)	18.59	17.08	9%
Diluted EPS (RMB cents)	17.15	16.66	3%

- Other income included RMB661m subsidy income from government
- Net loss of RMB18 million at Shanghai LTI due to its still small scale of operation
- Non-cash expenses related to grant of share options to employees amounted to RMB273 million
- Net profit would have grown 38% if the share option expenses were excluded
- Effective tax rate increased to 18.5% from 14.9% in 2009 due to expiration of tax incentives and unification of tax rates
- Increased tax payment could be partly offset by higher subsidy income



Consolidated Balance Sheet

(RMB m)	31-Dec 2010	31-Dec 2009
Property, plant & equipment	5,796.8	4,328.1
Intangible assets	1,448.6	1,069.7
Land lease prepayment	1,367.7	1,171.5
Goodwill	6.2	6.2
Interests in associates	0.0	7.3
	8,619.3	6,582.8
Inventories	986.6	640.5
Trade and other receivables	9,913.0	6,144.9
Land lease prepayment	33.8	29.3
Tax recoverable	2.4	-
Financial assets at fair value via P&L	12.9	12.2
Available-for-sales financial assets	100.0	0.0
Pledged bank deposits	242.6	894.3
Bank balances and cash	4,393.1	4,498.2
Current assets	15,684.3	12,219.4
Trade and other payables	10,543.0	7,328.8
Taxation	173.6	69.3
Short-term bank borrowings (secured)	1,096.7	1,509.6
Current liabilities	11,813.3	8,907.8
Net current assets	3,871.0	3,311.6
	12,490.3	9,894.4
Financed by:		
Share capital	139.3	137.0
Reserves	7,882.6	6,238.6
Shareholders' equity	8,021.9	6,375.6
Convertible bonds	1,483.0	1,442.2
Long-term bank loans	1,562.3	1,318.0
Deferred government grants	294.3	0.0
Deferred tax liability	73.0	37.7
Non-controlling interests	1,055.8	720.9
	12,490.3	9,894.4

- Healthy financial position with net cash of RMB494 million at the end of 2010
- Trade receivables from 3rd parties was RMB962m, or 17 days' sales
- Advanced payment to suppliers increased to RMB1.6 billion, but more than offset by advanced payment from customers of RMB2.7bn, or equivalent to 1.6 time of average monthly revenue
- Subsidy income received but not yet booked amounted to RMB763m at the end of 2010 vs RMB454m at the end of 2009



Financial Analysis

(Y/E December)	2010	2009	YOY%
Sales of motor vehicles (RMB m)	18,625.0	13,034.6	43%
Average unit ex-factory price (RMB)	44,789	39,897	12%
Return on Equity	17.1%	18.6%	-8%
Gross Margin	18.4%	18.1%	2%
Operating Margin	12.1%	12.0%	0%
Distributive/selling expenses/turnover	5.9%	5.4%	9%
Administrative expenses/turnover	4.6%	3.7%	25%

- Improved product mix resulted in 12% increase in average sales price and better gross margin
- Operating margins were maintained as higher marketing and distribution expenses were offset by better product mix

Administrative expenses increased faster due to inclusion of startup costs at Jinan and Chengdu plants and the launches of three new brands and their associated distribution networks



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New Products

- **GLEagle:**
 - - “GC3” economy sedan
 - - “GC7” mid-size sedan
- **Englon:**
 - - “SC5” sedan
 - - “SX5” SUV
- **Emgrand:**
 - - “EX7” SUV



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Outlook

- Produces and sell 480,000 units of vehicles in 2011, up 15% from 2010 (sales volume up 7% to 77,440 units in their first two months of 2011, achieving 16% of the full year target)
- Export sales should continue to improve in 2011
- ASP should improve further due to introduction of AT version of EC7 and the full year contribution from EC8
- Planned launches of 6-8 new models



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