

# 吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

## 2012 Interim Results

22 August 2012

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*Note: Sources of all data contained in this presentation are from Geely Automobile Holdings Ltd., except specified otherwise.*

# Financial Summary

6M to June (RMB m)	2012	2011	YoY change
Sales volume (units)	222,390	213,381	+4%
Turnover/Revenue	11,177	10,538	+6%
Operating margin ratio*	13.0%	13.4%	-4%
Profit after tax	1,027	1,031	-0%
Attributable profit	1,020	938	+9%
Diluted EPS (RMB cents)	12.49	11.48	+9%
	<u>June-2012</u>	<u>Dec-2011</u>	
Shareholders' equity	10,521	9,582	+10%
Net (debt)**	-1,378	-1,517	-9%
Net debt/equity	13%	16%	-17%

\* Operating margin ratio = (Pre-tax margin before finance costs , share-based payments and results of associates)/turnover

\*\* Net (debt)/cash = all cash /bank deposits – all bank borrowings – convertible bonds

# Results Highlights

- 1H2012 results in line with expectations despite challenging market conditions
- Net profit up 9% to RMB1,020 million in 1H2012 (Diluted EPS up 9% to RMB 12.49 cents)
- Excluding non-cash expenses related to granting of share options to employees, adjusted net profit was up 7% to RMB1,083 million, still better than sales volume growth of 4% and revenue growth of 6%

# Results Highlights

- The earnings performance in 1H2012 was a result of:
  - 199% growth in exports sales volume
  - stable average ex-factory price and margins
  - 19% increase in subsidy income
  - 19% decrease in share-based payments
  - Increased stakes in major operating subsidiaries (91% to 99%)

## and despite:

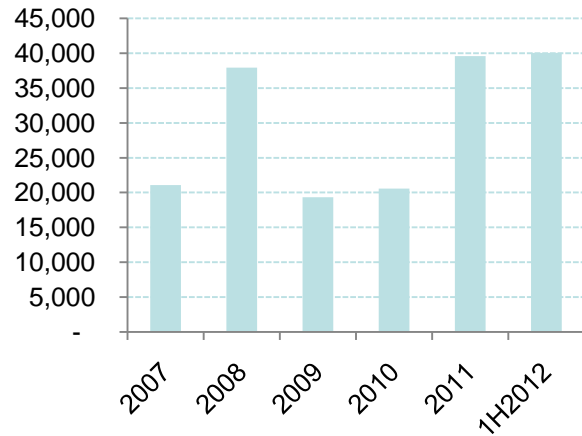
- 9% decline in domestic sales volume
- fast increase in distribution/selling and administrative expenses
- 23% increase in finance costs
- higher effective tax rate (from 16.7% to 18.6%)

# Achievements in 1H2012

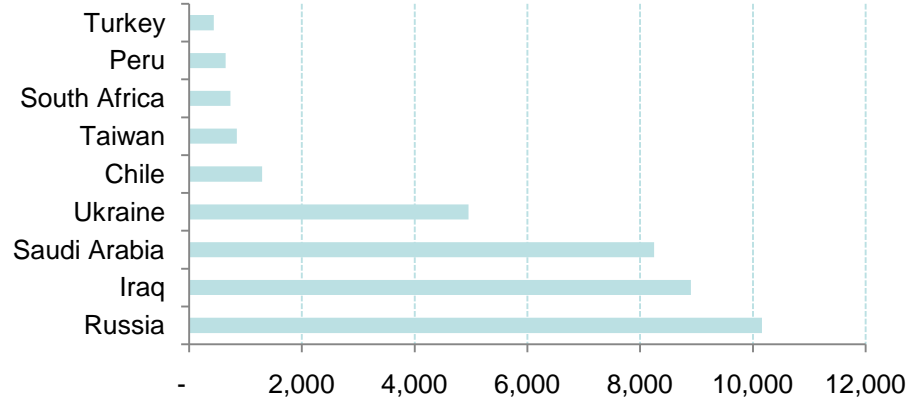
- Stable product prices and improving product mix, reflecting Geely's enhanced brand image
- 199% growth in export sales volume
- Maintaining strong financial position with net debt to equity ratio down 17% during 1H2012 to a very healthy level of 13% at the end of June 2012
- Maintaining leadership in product safety (GX7 achieved super 5+ star rating with high scores of 50.3 in C-NCAP)
- Achieving high customer service standards as indicated by good results in J.D.Power Asia Pacific 2012 China CSI Study

# Exports in 1H2012

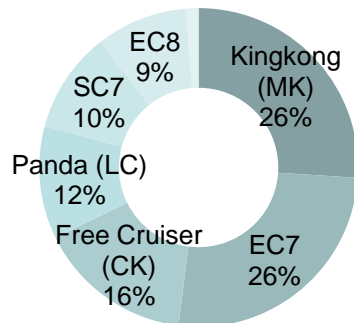
## Export Sales Volume (units)



## Top Export Destinations (1H2012, units)



## Top Export Models (1H2012)



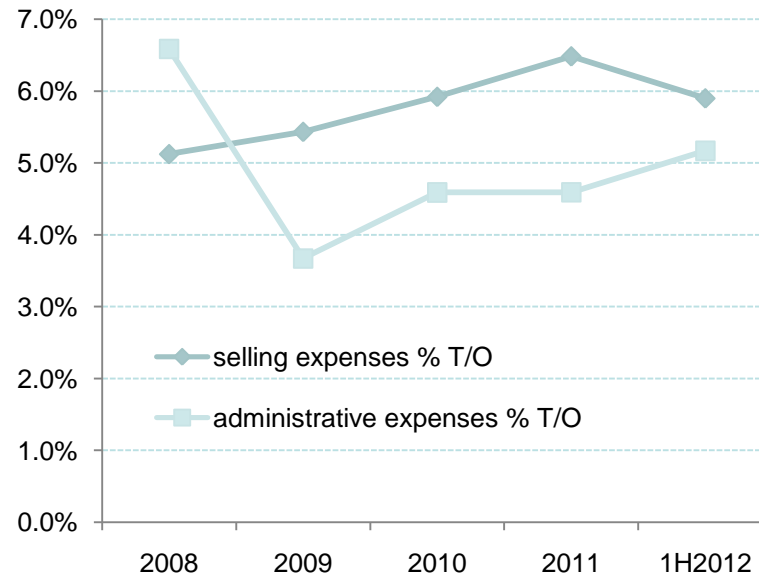
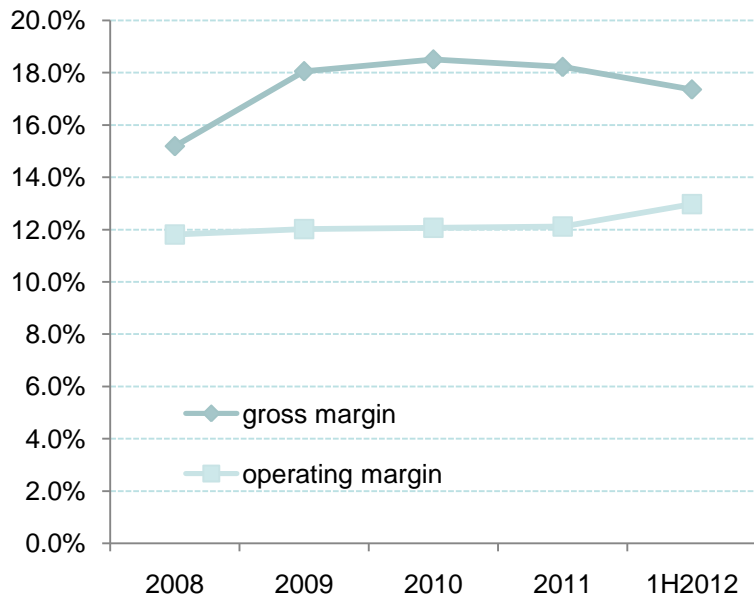
# Monthly Sales Volume (units)



SC5-RV



# Profitability in 1H2012



# Vehicle Safety

Year	Test	Models	Ratings
2009	C-NCAP	Geely Panda	5 star (45.3 pts)
2010	C-NCAP	Emgrand EC7	5 star (46.8 pts)
2011	Euro-NCAP	Emgrand EC7	4 star
2011	C-NCAP	Emgrand EC8	5 star (49.6 pts)
2012	C-NCAP	GLEagle GX7	5+star (50.3 pts)



# Customer Satisfaction



## J.D.Power Asia Pacific 2012 China Customer Service Index (CSI) Study<sup>SM</sup>

Brand	Points#	Overall Rank	Sector Rank*
GLEagle	865	12	1
Englon	861	14	2
Emgrand	850	17	4
Industry Average	832		

# based on a 1,000-point scale

\* ranking amongst indigenous brands in China

## Vehicle Sales Volume Breakdown

Model (6M to June)	2012	2011	YoY change
EC7	61,015	44,174	+38%
Kingkong	43,781	42,752	+2%
Free Cruiser	32,176	40,105	-20%
SC7	26,547	24,135	+10%
Geely Panda	16,536	22,445	-26%
Vision	16,195	28,823	-44%
EC8	8,432	7,067	+19%
GC7	7,743	-	-
GX7	7,584	-	-
Total	222,390	213,381	+4%

## Consolidated Income Statement

6M to June (RMB m)	2012	2011	YoY change
Turnover/(Revenue)	11,177	10,538	+6%
Gross profit	1,940	1,834	+6%
Other Income	747	629	+19%
Selling Expenses	-659	-592	+11%
Admin. Expenses	-578	-454	+27%
Share-based payments	-64	-78	-19%
Finance costs	-124	-101	+23%
Taxation	-234	-206	+14%
Net profit	1,020	938	+9%

# Consolidated Statement of Financial Position

RMB m	30 Jun 2012	31 Dec 2011	YoY change
Non-current assets	11,040	10,591	+4%
Inventories	1,806	1,358	+33%
Trade/other receivables	11,489	12,215	-6%
Total cash/bank balance	3,514	3,384	+4%
Trade/other payables	11,914	12,114	-2%
Short-term borrowings	2,520	2,521	-0%
Long-term borrowings	823	843	-2%
Convertible bonds	1,550	1,527	+2%
Shareholders' equity	10,521	9,582	+10%

## Financial Analysis

6M to June	2012	2011	YoY change
Sales of vehicles (RMB m)	10,072	9,607	+5%
Average unit price (RMB)	45,291	45,020	+1%
Return on equity	19.4%	21.1%	-8%
Gross margin ratio	17.4%	17.4%	0%
Operating margin ratio	13.0%	13.4%	-4%
Selling expenses (% of T/O)	5.9%	5.6%	+5%
Admin. Expenses (% of T/O)	5.2%	4.3%	+20%

# New Products

## GLEagle:

- “GX7” SUV (2.4L, 6AT)
- “KINGKONG” GII

## Emgrand:

- “EX8” mid-sized SUV
- “EV8” MPV

## Englon:

- “SC3” economy sedan
- “SX7” SUV
- “SC6” basic sedan
- “SC7” sedan (6AT)
- “SC5” sedan (1.3T)



SC3



SC6



SX7



# Outlook

- Significant improvement in competitive advantages in the area of brand image, product quality and service quality, putting the Group in a strong position to deal with current challenges
- Key challenges include increasing global economic uncertainty, slower growth and fierce competition in China
- Planned cooperation with Volvo Car should further strengthen the Group's competitiveness
- Other positive drivers in 2H2012: (1) more 6AT models, (2) 5 models qualified for fuel efficient subsidies, (3) good market response to GX7
- Maintain sales volume target at 460,000 units of vehicles in 2012, up 9% from 2011

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