



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

2009 Final Results

12 April 2010

Results Highlights

- 2009 results benefited from strong sedan demand in China but partly offset by weak export market conditions
- Net profit up 35% to RMB1,183 million in 2009 (Diluted EPS up 17% to RMB 16.66 cents)
- On pro forma basis, excluding the impact from the acquisitions of additional stakes in vehicle manufacturing operations in mid-2008 and non-cash items, total vehicle sales revenue was up 60% to RMB13 billion, total after-tax profit was up 45%
- Final dividend up 44% to HK\$ 2.3 cents per share



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Results Highlights

- The strong earnings performance in 2009 was mainly due to:
 - Acquisition of additional stakes in vehicle manufacturing operations (from 46.8% to 91% effective 1 July 2008)
 - 85% growth in sales volume in China, stable product prices and production costs during the period

and despite:

- 49% YoY decline in export sales volume
- Share of loss at MBH of RMB15M
- Negligible profit contribution from SLTI and DSIH
- Higher effective tax rates due to expiration of tax incentives and unification of tax rates in China (from 6% to 15%)



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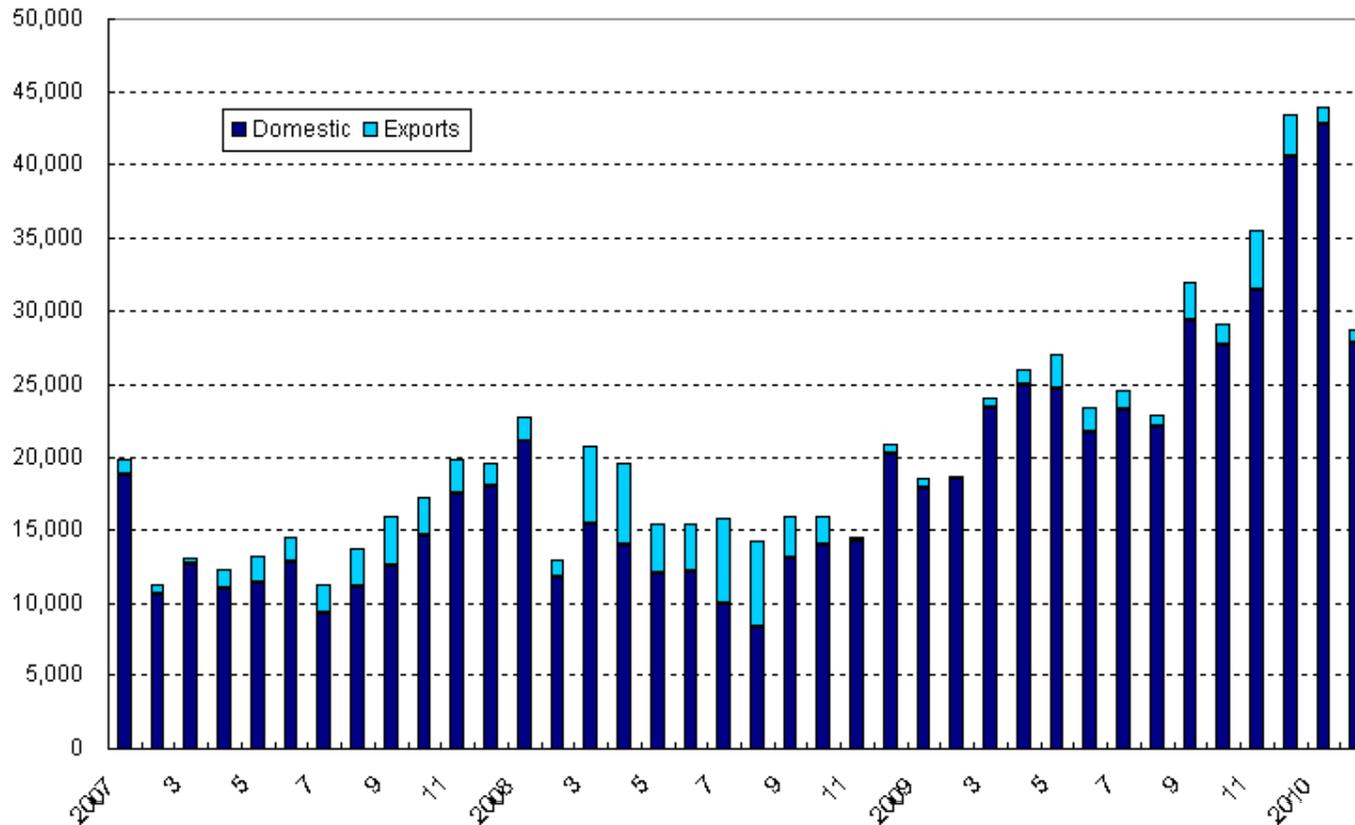
Achievements in 2009

- Completion of acquisition of the assets of DSI in Australia, significantly enhancing the Group's technological and manufacturing capabilities in the area of automatic transmissions
- Stable product prices, reflecting Geely's improved brand image
- 85% growth in domestic sales volume, more than offsetting the 49% drop in exports sales volume
- Strengthening financial position with net cash increasing to RMB1.1 billion at the end of 2009 (RMB670m at the end of 2008)
- Stable ASP and margins despite shift of demand to smaller cars
- Successful launches of three new brands and their sales networks



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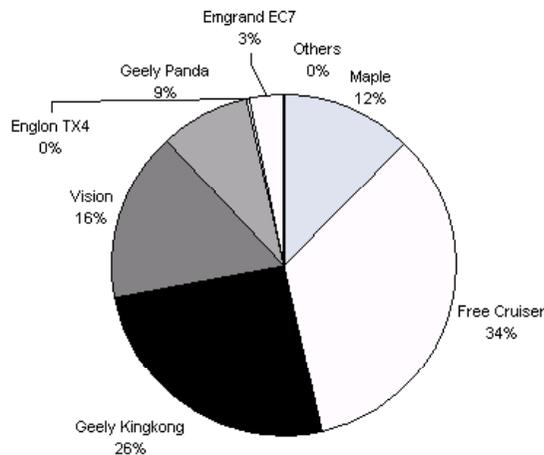
Monthly Vehicle Sales Performance



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Vehicle Sales Volume Breakdown

Sales Volume Breakdown (Y/E 31 December)	2009	2008	+/- % ch.
Ulion/Merrie	522	10,510	-95%
China Dragon	421	284	48%
Maple	39,814	37,017	8%
Free Cruiser	110,700	74,274	49%
Geely Kingkong	83,590	57,215	46%
Vision	52,702	23,516	124%
Geely Panda	28,500	1,389	1952%
Englon TX4	263	0	-
Emgrand EC7	10,198	0	-
Total	326,710	204,205	60%



- Production of Ulion and other old models was terminated at the end of 2008
- Demand shifts towards lower-priced and smaller size cars as a result of the government tax incentives for vehicles with 1.6L engines or below
- “Free Cruiser” remained the best selling models in terms of sales volume
- Exports accounted for 6% of total sales volume in 2009 vs. 19% in 2008 and 12% in 2007
- Free Cruiser, Geely Kingkong and Vision accounted for 76% of total sales volume

Consolidated Income Statement

Income Statement (Y/E 31 December)	2009	2008	YoY %
Revenue	14,069.2	4,289.0	228%
Cost of sales	-11,528.5	-3,637.8	217%
Gross profit	2,540.7	651.3	290%
Other income	431.5	357.5	21%
Distribution and selling expenses	-764.6	-219.8	248%
Administrative expenses	-524.1	-282.5	86%
Finance costs	-107.2	-61.0	76%
Loss on early redemption of CBs	-16.0	0.0	-
Fair value gain on embedded derivatives	0.0	6.3	-
Gain on deemed disposal of int. in associate	5.2	0.0	-
Share of results of associates	-15.1	226.3	-
Impairment loss on interest in associate	0.0	-100.0	-
Gain on negative goodwill	0.0	339.8	-
Profit before taxation	1,550.5	917.9	69%
Taxation	-231.4	-51.9	346%
Profit after taxation	1,319.0	866.1	52%
Minority interests	-136.3	13.0	-
Profit attributable to shareholders	1,182.7	879.1	35%
Basic EPS (RMB cents)	17.08	15.04	14%
Diluted EPS (RMB cents)	16.66	14.28	17%

- Other income included RMB216m subsidy income from government
- Shanghai LTI recorded a net profit of RMB2.8m
- Share of loss at MBH amounted to RMB15m in 2009
- On pro forma basis and excluding non-cash items, revenue was up 67% and profit after taxation was up 45% in 2009
- Effective tax rate increased to 15% from 6% in 2008 due to expiration of tax incentives and unification of tax rates
- Selling and Administrative expenses well controlled at less than 10% of revenues



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Consolidated Balance Sheet

Consolidated Balance Sheet (RMB m, Y/E 31 December)	2009	2008
Property, plant & equipment	4,328.1	3,289.3
Intangible assets	1,069.7	657.2
Land lease prepayment	1,171.5	1,051.7
Goodwill	6.2	-
Interests in associates	7.3	42.2
	6,582.8	5,040.4
Inventories	640.5	486.7
Trade and other receivables	6,144.9	2,840.3
Land lease prepayment	29.3	26.6
Tax recoverable	-	3.2
Financial assets at fair value via P&L	12.2	10.5
Pledged bank deposits	894.3	853.9
Bank balances and cash	4,498.2	889.4
Current assets	12,219.4	5,110.6
Trade and other payables	7,328.8	4,229.6
Convertible bonds	0.0	288.3
Convertible bonds - embedded derivatives	0.0	12.4
Taxation	69.3	57.6
Short-term bank borrowings (secured)	1,509.6	685.6
Current liabilities	8,907.8	5,273.5
Net current assets	3,311.6	-162.9
	9,894.4	4,877.5
Financed by:		
Share capital	137.0	122.5
Reserves	6,238.6	4,075.3
Shareholders' equity	6,375.6	4,197.9
Convertible bonds	1,442.2	0.0
Long-term bank loans	1,318.0	87.0
Deferred tax liability	37.7	8.0
Minority interests	720.9	584.6
	9,894.4	4,877.5

- Total cash balance increased 209% to RMB5.4bn at the end of 2009. Net cash also increased 68% to RMB1.1bn
- A new RMB1.671bn 3% 2014 CB was issued to Goldman Sachs Group in November 2009
- Trade receivables from 3rd parties was only RMB559m, or less than 4% of revenue
- Note receivable amounted to RMB4.4bn or 72% of total receivables
- Trade and other payables included RMB3.3bn payables to 3rd parties, RMB1bn payables to related parties, RMB1.5bn advanced payment from customers and RMB454m deferred government grants



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Financial Analysis

Financial Analysis (Y/E December)	2009	2008	YOY%
Sales of motor vehicles (RMB m)	13,034.6	8,156.6	60%
Average unit ex-factory price (RMB)	39,897	39,943	0%
Return on Equity	18.6%	20.9%	-11%
<u>Vehicle Sales:</u>			
- Gross Margin	19%	20%	
- Operating Margin	13%	15%	
- Distributive/selling expenses/turnover	6%	6%	
- Administrative expenses/turnover	4%	4%	

- Average sales price was maintained, helped by the launches of bigger size vehicles like EC7 and TX4 in 2H2009
- Return on equity was affected by larger capital base as a result of a share placement in May 2009 and exercise of share options
- Gross margin was affected by significant drop in export sales volume
- Operating margin was further affected by lower subsidy income
- Administrative, distribution and selling expenses were well controlled at less than 10% of revenues



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New Products



- GC515 mid-size sedan (1.5L)
- GC515-RV mid-size hatchback (1.5L)
- GX718 SUV (1.8L)
- EC825 large-size sedan (2.0L, 2.5L)
- Geely Panda Cross
- Geely Panda (1.5L, AT)
- Geely Jin Yin Cross
- Existing models with AT from DSIH



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Outlook

- Produces and sell 400,000 units of vehicles in 2010, up 22% from 2009 (sales volume up 96% to 72,589 units in first two months of 2010, achieving 18% of full year target)
- Expect the Group's export sales to improve in 2010
- Growth to slow down in 2H2010 due to higher base for comparisons
- ASP to improve due to introduction of higher priced models in 2010 and increased sales volume of EC7 series and TX4 models
- Launches of 21 new and upgrade models in 2010



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