



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

2011 Interim Results

22 August 2011

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Financial Summary

(6M to June, RMB million)	2011	2010	YoY%
Sales volume (units)	213,381	195,734	9%
Turnover/Revenue	10,538	9,236	14%
Gross profit	1,834	1,748	5%
Gross margin	17.4%	18.9%	-8%
Operating margin *	13.4%	15.1%	-11%
Profit after tax	1,031	912	13%
Attributable profit	938	805	17%
Diluted EPS (RMB cents)	11.48	9.96	15%
	30 Jun	31 Dec	
	2011	2010	YoY%
Shareholders' equity	8,890	8,022	11%
Net cash/(debt) **	363	494	-27%

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

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



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Results Highlights

- 1H2011 results in line with expectations despite challenging market conditions and a high-base of comparison in same period last year
- Net profit up 17% to RMB938 million in 1H2011 (Diluted EPS up 15% to RMB 11.48 cents)
- Excluding non-cash expenses related to granting of share options to employees, adjusted net profit was up 5% to RMB1,016 million, lower than sales volume growth of 9% and revenue growth of 14%



Results Highlights

- The earnings performance in 1H2011 was a result of:
 - 9% growth in sales volume
 - better product mix and 1.2% increase in average ex-factory price
 - 5% increase in subsidy income
 - well controlled administrative expenses (up only 1% YoY)
 - lower non-cash expenses related to share options
- and despite:
 - lower profit margin due to selective price cuts in 2Q2010
 - high startup costs at Jinan and Chengdu plants
 - higher distribution and selling expenses for new brands and new distribution networks (up 20% YoY)
 - operating loss at Shanghai LTI

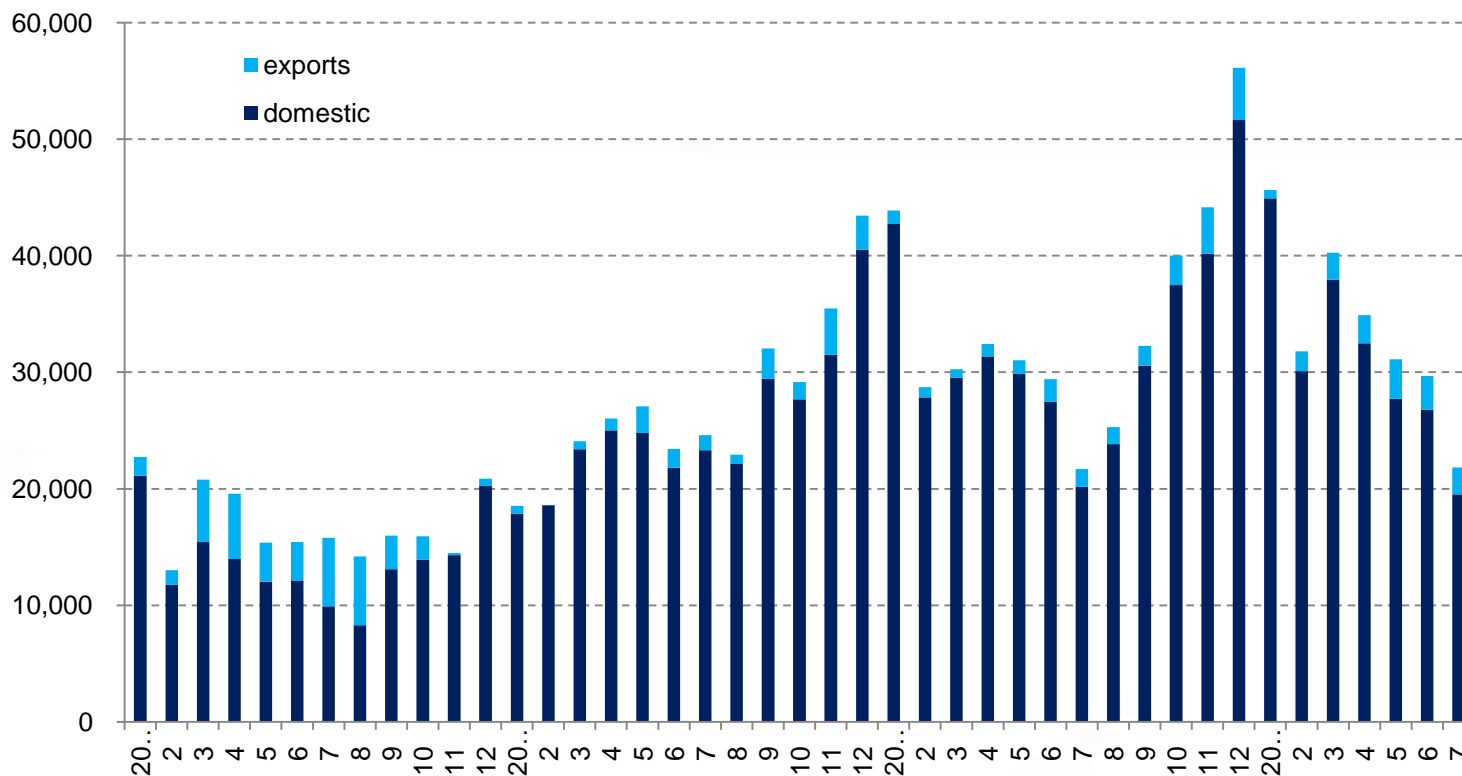


Achievements in 1H2011

- Generally stable product prices and better product mix, reflecting Geely's improved brand image
- 6% growth in domestic sales volume, despite unfavourable market environment, maintaining market share in China at above 4%
- Maintaining strong financial position with net cash of RMB363m at the end of 1H2011 despite major investments in new production capacity, brand building and new products
- 1.2% increase in ASP due to improved product mix

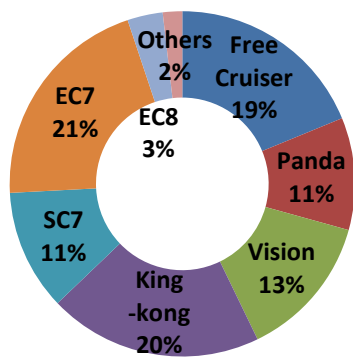


Monthly Vehicle Sales Volume Performance (units)



Vehicle Sales Volume Breakdown

(6M to June)	2011	2010	+/- % ch
GLEagle - Free Cruiser	40,105	47,772	-16%
GLEagle - Panda	22,445	21,504	4%
GLEagle - Vision	28,823	31,375	-8%
GLEagle:	91,373	100,651	-9%
Englon - Kingkong	42,752	38,382	11%
Englon - TX4	490	176	178%
Englon - SC7	24,135	22,270	8%
Englon - SC5-RV	3,335	0	-
Englon:	70,712	60,828	16%
Emgrand - EC7	44,174	29,933	48%
Emgrand - EC8	7,067	0	-
Emgrand:	51,241	29,933	71%
Others	55	4,322	-99%
Total:	213,381	195,734	9%



- Demand shifts towards higher-priced and bigger size cars as a result of the good market response to “Emgrand EC7” and “EC8”
- Higher-priced models accounted for 49% of total sales volume in 1H2011 (46% in FY2010)
- Sales volume of older models like “Free Cruiser” and “Vision” declined ahead of planned launches of their upgraded models
- Exports accounted for 6.3% of total sales volume in 2010 (4.9% in FY2010)
- “Englon Kingkong” and “SC5-RV”, “Emgrand EC7” and “EC8” were key growth drivers in 1H2011



Consolidated Income Statement

(6M to June, RMB m)	2011	2010	YoY %
Turnover/Revenue	10,538.0	9,235.7	14%
Cost of sales	-8,703.6	-7,487.3	16%
Gross profit	1,834.3	1,748.4	5%
Other income	628.5	583.1	8%
Distribution and selling expenses	-591.7	-493.1	20%
Administrative expenses	-453.9	-448.4	1%
Recognition of share-based payments	-78.3	-162.4	-52%
Finance costs	-100.8	-116.4	-13%
Share of results of associates	-1.2	-7.3	-83%
Profit before taxation	1,236.9	1,104.0	12%
Taxation	-206.0	-192.1	7%
Profit for the year	1,030.9	912.0	13%
Non-controlling interests	-93.2	-107.1	-13%
Profit attributable to shareholders	937.6	804.8	17%
Basic EPS (RMB cents)	12.59	10.99	15%
Diluted EPS (RMB cents)	11.48	9.96	15%

- Other income included RMB535m subsidy income, which was up 5% from 1H2010
- Net loss of RMB17 million at Shanghai LTI (net loss of RMB11 million in 1H2010)
- Distribution and selling expenses grew 20%, mainly due to development of new brands and distribution networks
- Non-cash expenses related to grant of share options to employees amounted to RMB78 million, down 52% from 1H2010
- Effective tax rate was maintained at 16.7%, similar to previous year



Consolidated Balance Sheet

(RMB m)	20-Jun 2011	31-Dec 2010
Property, plant & equipment	6,380.1	5,467.5
Intangible assets	1,864.1	1,448.6
Land lease prepayment	1,541.3	1,367.7
Goodwill	6.2	6.2
Interests in associates	40.4	0.0
	9,832.0	8,290.0
Inventories	1,325.6	986.6
Trade and other receivables	8,217.7	9,913.0
Land lease prepayment	38.1	33.8
Tax recoverable	1.1	2.4
Financial assets at fair value via P&L	12.2	12.9
Available-for-sales financial assets	0.0	100.0
Pledged bank deposits	308.2	242.6
Bank balances and cash	4,442.6	4,393.1
Current assets	14,345.4	15,684.3
Trade and other payables	9,508.9	10,508.1
Taxation	152.0	173.6
Short-term bank borrowings (secured)	2,153.7	1,096.7
Current liabilities	11,814.6	11,778.3
Net current assets	2,530.8	3,906.0
	12,362.8	12,196.0
Financed by:		
Share capital	139.5	139.3
Reserves	8,750.2	7,882.6
Shareholders' equity	8,889.7	8,021.9
Convertible bonds	1,504.5	1,483.0
Long-term bank loans (secured)	730.0	1,562.3
Deferred tax liability	89.6	73.0
Non-controlling interests	1,149.0	1,055.8
	12,362.8	12,196.0

- Healthy financial position with net cash of RMB363 million at the end of 1H2011
- Total inventory was up 34% to 28 days of production
- Notes receivable guaranteed by banks accounted for more than half of the trade and other receivables
- Trade receivables from 3rd parties was RMB1,060m, or 18 days of sales
- Suppliers' credits accounted for about half of the trade and other payables and was up 6% since the end of 2010
- Subsidy income received but not yet booked amounted to RMB100m



Financial Analysis

(6M to June)	2011	2010	YOY%
Sales of motor vehicles (RMB m)	9,606.5	8,706.7	10%
Average unit ex-factory price (RMB)	45,020	44,483	1%
Return on Equity	21.1%	20.1%	5%
Gross Margin	17.4%	18.9%	-8%
Operating Margin	13.4%	15.1%	-11%
Distributive/selling expenses/turnover	5.6%	5.3%	5%
Administrative expenses/turnover	4.3%	4.9%	-11%

- Improved product mix resulted in 1.2% increase in average sales price
- Operating margins were affected by price cut of selective models in early 2010 and higher marketing and distribution expenses
- Administrative expenses was well controlled at 4.3% of turnover as new plant at Jinan and the three new distribution network commenced full operation during the period



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New Products

GLEagle:

- “GC7” mid-size sedan
- “GX7” SUV

Englon:

- “SC3” basic sedan
- “SC7” 6AT mid-size sedan

Emgrand:

- “EX7” SUV



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Outlook

- Overall market condition has deteriorated and market demand in China has started to show sign of slowing down
- Produces and sells 480,000 units of vehicles in 2011, up 15% from 2010 (sales volume up 8.2% to 235,209 units in their first seven months of 2011, achieving 49% of the full year target)
- Export sales should continue to improve in the rest of 2011
- Current trend of ASP improvement should continue due to introduction of AT version of SC7 and EC7 and the additional contribution from EC8

