

MEDIA RELEASE

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GP Batteries Announces its Unaudited Fourth Quarter and Full Year Results

Highlights of mainboard-listed GP Batteries International Limited's unaudited fourth quarter (Q4) and full year (YTD) results:

	Q4 Ended 31/03/09 S\$'000	Q4 Ended 31/03/08 S\$'000	Change %	YTD Ended 31/03/09 S\$'000	YTD Ended 31/03/08 S\$'000	Change %
Revenue	181,536	197,296	(8.0)	864,136	976,382	(11.5)
Profit/(Loss) attributable to equity holders of the company	(2,577)	3,078	n/m	709	(4,612)	n/m
Basic (Loss) Earnings Per Share (<i>S Cents</i>)	(2.35)	2.81	n/m	0.65	(4.21)	n/m
Dividend Per Share						
- Interim	1.1 <i>Singapore Cents</i>					
- Proposed Final	1.5 <i>Singapore Cents</i>					

N/M denotes not meaningful

Business Review of GP Batteries

During the year, the Group operated in a highly competitive environment with global economic slowdown, volatile currencies and material prices.

Turnover for the three months and twelve months ended 31 March 2009 was S\$181.5 million and S\$864.1 million respectively, a decrease of 8% and 11.5% over the corresponding period last year.

Sales of Nickel Metal Hydride (NiMH) rechargeable batteries and micro batteries registered a decline of about 17% and 27%, while that of 9-volt and alkaline primary cylindrical batteries increased by 28% and 16% respectively. The Americas and Europe recorded a dip in turnover by about 15%, while sales in the PRC and Hong Kong increased by about 13%.

The Group's subsidiary in Taiwan signed a 5-year subcontracting agreement with Boston-Power Inc of the US, to produce their batteries which are used in laptops and electric vehicles. This arrangement helps to improve the utilization of the Group's manufacturing facilities.

For EV batteries, the Group worked on several new projects which might become better opportunities in the coming year. One such project is the hybridization of the diesel gantry cranes in the container terminal. Fuel saving of more than 50% was reported. Preparation for the JV factory with Corun in China is continuing.

The Group worked with Plug-In Conversions Corp of the US to develop and market a conversion kit to convert standard Toyota Prius hybrids to operate as Plug-in Hybrids. This could possibly be developed into a major project in the future.

Sales of batteries for high-end electric bicycles remained strong for the quarter making the Group a significant world supplier in this market.

Gross profit margin for the three months and twelve months ended 31 March 2009 was 18.8% and 16.9% respectively as compared to 11.8% and 16.3% for the corresponding periods last year. Excluding the gain and loss arising from commodity hedging contracts which had all matured during the period, full year profit margin had improved to 20.6% from 15.7% last year.

Finance costs for the three months and twelve months ended 31 March 2009 was S\$2.3 million and S\$11.7 million respectively, a decrease of 40.8% and 35.6% over the corresponding period last year due to lower interest rates.

Other revenue for the three months and twelve months ended 31 March 2009 was S\$25.2 million and S\$31.9 million respectively, as compared to S\$5.8 million and S\$10 million over the corresponding periods last year. This was mainly attributable to the receipt of a government subsidy of S\$14.2 million by the Group's subsidiary in Ningbo, PRC, a technical fee income of S\$3.9 million received by a subsidiary in Taiwan and a gain of S\$1.4 million due to the divestment in STL Group.

Included in other operating expenses were impairment loss on property, plant and equipment of S\$9.6 million and impairment loss on available-for-sale investments of S\$6.4 million.

Exchange loss for the three months and twelve months ended 31 March 2009 was S\$5.1 million and S\$12.2 million respectively mainly due to unrealized losses on revaluation of US dollar denominated bank borrowings.

Income tax for the three months and twelve months ended 31 March 2009 was S\$3 million and S\$6.9 million respectively, as compared to S\$1.6 million and S\$4.7 million over the corresponding periods last year mainly due to a taxation of S\$2.1 million on the subsidy received by our subsidiary in Ningbo.

The Group acquired an additional 15% interest in Gold Won Electrochemical Company Limited, thereby making the latter a wholly-owned subsidiary. The Group had also increased its equity interests in Huizhou Gold Yi Industries Company Limited and Huizhou Long Tek Plastic Limited from 38.25% to 45% and 42.5% to 50% respectively.

The restructuring of STL Group has been completed and the Group presently holds a 38.25% interest in STL Group. STL Group is progressing along its plan for a potential listing in Taiwan.

Prospects of GP Batteries

The business outlook is volatile in the midst of a rapidly changing global economy and credit contraction. The Group has continued to see a steady order intake in the recent months. The Group has been, and will continue to align its cost structure through productivity improvement and plant rationalization. It will continue to enhance its brand management in key markets and to capitalize on selected opportunities in e-mobility.

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