GP Batteries International Limited
(Incorporated in the Republic of Singapore)
Co. Reg. No. 199002111N

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 31/03/10 S$'000	**Q4 Ended 31/03/09 S$'000**	**Change %**	**YTD Ended 31/03/10 S$'000**	**YTD Ended 31/03/09 S$'000**	**Change %**
		Restated			Restated	
Revenue	195,601	181,536	7.7%	799,366	864,136	(7.5)
Profit/(Loss) attributable to equity holders of the company	7,888	(2,747)	n/m	37,099	218	n/m
Basic (Loss) Earnings Per Share *(S Cents)*	7.19	(2.50)	n/m	33.82	0.20	n/m
Dividend Per Share - Interim - Proposed Final	 2.0 *Singapore Cents* 8.0 *Singapore Cents*					

N/M denotes "not meaningful"

<u>Business Review of GP Batteries</u>

Turnover for the three months ended 31 March 2010 rose 8% to S$195.6 million. Turnover for the twelve months was S$799.4 million, a decrease of 8% comparing to last financial year.

Compared to the same quarter last year, sales of primary batteries recorded a rise of 26% attributed mainly to cylindrical carbon zinc and button batteries. North & South America and Japan were the main regions that contributed to the increase of turnover in the fourth quarter. The decrease in turnover for the whole financial year was mainly due to the drop in sales to Europe particularly in the first half of this financial year.

Excluding the effect of commodity hedging contracts in the last financial year, gross profit margin for the twelve months ended 31 March 2010 was approximately 23%, compared to 21% for last year mainly due to sales mix with better margin as well as effective cost-control measures.

Other revenue for the three months and twelve months ended 31 March 2010 was S$8.3 million and S$13.5 million respectively, a decrease of 67% and 58% over the corresponding periods last year. In the financial year 2008/2009, a subsidiary of the Group in Ningbo, China received a government subsidy of S$14.2 million while the subsidy income dropped to S$2.6 million during the year under review.

Distribution expenses for the three months ended 31 March 2010 were S$15.1 million, an increase of 62% over corresponding period last year. This was mainly due to a substantial cut-down and hold-back of distribution expenses in the fourth quarter last year in response to the outbreak of the financial turmoil in late 2008. Distribution expenses for the twelve months ended 31 March 2010 were S$58.6 million, an increase of 18% over corresponding period last year due to stepping-up of brand-building efforts, in particular, in mainland China.

Other operating expenses for the three months and twelve months ended 31 March 2010 were S$1.4 million and S$9.2 million respectively, a decrease of 93% and 57% over corresponding periods last year mainly due to lower impairment losses on property, plant and equipment.

Finance costs for the three months and twelve months ended 31 March 2010 were S$2.3 million and S$9.5 million respectively. The decrease in finance costs for the year ended 31 March 2010 of 18% was mainly due to reduced bank borrowings and lower interest rates.

Exchange gains for the twelve months ended 31 March 2010 were S$8.4 million as compared to exchange losses of S$12.2 million over the corresponding period mainly due to gains on revaluation of US Dollar denominated liabilities.

Share of results of associates for the three months and twelve months ended 31 March 2010 was S$0.8 million and S$12.4 million respectively. The decrease in contributions in the last quarter of the financial year was mainly due to losses recognized for an associate. Previously, the Group did not recognize any share of losses exceeding its investment in this associate in accordance with FRS 28 “Investment in Associates”. The Group resumed equity accounting of the losses of this associate following capitalization of indebtedness comprising shareholders’ loan and advances.

The Group has disposed of its entire shareholding interest in Advanced Electronics Energy Limited. The resultant gain of S$1.3 million was recognised under “Other Operating Revenue” in the last quarter of the financial year.

The plant of Ningbo GP Energy Co. Ltd (formerly “Ningbo GP Sanyo Energy Co. Ltd”), a 90%-owned subsidiary producing primary lithium batteries, which had most of its facilities damaged in a fire a few years ago has started to contribute positively to the Group’s results during this financial year.

The Group has collaborated with local tertiary institutions to further experiment its Plug-In Hybrid Electric Vehicle, being in-line with its intention to establish Singapore as a test-bed for the Group’s e-mobility initiatives.

Prospects of GP Batteries

The business outlook for the Group is positive with improving performance over the past quarters. However, volatility of currencies and raw material prices will impact margins.

The Group will continue to enhance its brand management and new product development while focusing on priority markets and core products. It will continue capitalizing on strong outsourcing demand. The Group has signed on with SAP to modernize the Group's IT management and work processes to further improve productivity and cost efficiency.

The Group's electric transportation capabilities continue to generate interest and receive encouraging response from corporations locally and worldwide. The Group will continue to explore further business opportunities in this arena.

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