

Announcement of Second Quarter Financial Statement

The Board of Directors of GP Batteries International Limited is pleased to announce the unaudited financial statement of the Group for the second quarter ended 30 September 2003 as set out below:

	The Group					
	2Q 2003 S\$'000	2Q 2002 S\$'000	% +/(-)	1H 2003 S\$'000	1H 2002 S\$'000	% +/(-)
1. Revenue	214,005	170,885	25.2	403,563	327,370	23.3
Cost of sales	(157,957)	(134,701)	17.3	(301,334)	(258,559)	16.5
Gross profit	56,048	36,184	54.9	102,229	68,811	48.6
Other operating income	293	191	53.4	1,145	594	92.8
Distribution expenses	(14,909)	(8,164)	82.6	(24,440)	(15,543)	57.2
Administrative expenses	(25,412)	(17,393)	46.1	(46,580)	(33,321)	39.8
Other operating expenses	(652)	(671)	(2.8)	(2,152)	(1,883)	14.3
Profit from operations	15,368	10,147	51.5	30,202	18,658	61.9
Finance costs	(2,212)	(3,024)	(26.9)	(4,900)	(5,827)	(15.9)
Profit before share of results of associates	13,156	7,123	84.7	25,302	12,831	97.2
Share of results of associates	2,459	2,408	2.1	4,901	4,380	11.9
Profit before income tax	15,615	9,531	63.8	30,203	17,211	75.5
Income tax expense	(2,214)	(1,243)	78.1	(4,360)	(2,246)	94.1
Profit after income tax	13,401	8,288	61.7	25,843	14,965	72.7
Minority interests	(839)	60	N/M	(1,916)	438	N/M
Profit attributable to shareholders	12,562	8,348	50.5	23,927	15,403	55.3
N/M: not meaningful						
2. Earnings per ordinary share of S\$0.80 each						
(a) Basic	11.97 cents	8.07 cents		22.93 cents	14.88 cents	
(b) Fully diluted	11.64 cents	8.04 cents		22.50 cents	14.83 cents	
Weighted average number of ordinary shares	104,955,513	103,502,168		104,349,620	103,501,971	

3. Review of Performance

The Group's turnover for the three months ended 30 September 2003 was S\$214.0 million. This represented an increase of 25.2% over the corresponding period last year and an increase of 12.9% over the previous quarter. The consolidated net profit after taxation and minority interests attributable to members of the Company for the second quarter was S\$12.6 million. This represented an increase of 50.5% over the second quarter of last year and an increase of 10.5% over the previous quarter.

For the six months ended 30 September 2003, the Group's turnover was S\$403.6 million, an increase of 23.3% over that of the same period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company was S\$23.9 million, an increase of 55.3%.

The increase in turnover was attributable to the continued increase in sales of Nickel Metal Hydride and Lithium Ion rechargeable batteries and the consolidation of sales of Zhongyin Ningbo Battery Co. Ltd ("Ningbo Batteries"), a 75%-owned subsidiary acquired by the Group in November 2002. Sales of Lithium Ion batteries continued to increase. However, its volume was still behind expectation because of the outbreak of SARS earlier in the year.

Gross profit increased, mainly due to increased turnover, steady selling price and continued cost reduction through operational rationalization. Overall operating margin improved from around 5% to about 6%.

Distribution expenses increased as the Group invested aggressively in advertising and promotional activities especially in China, to further strengthen its market position.

The Group continued to work closely with OEM manufacturers in the USA, Europe and China on their electric vehicle ("EV") and hybrid electric vehicle ("HEV") projects.

4. Interim Dividend

The Board is pleased to declare an interim tax-exempt dividend of 7.125% or 5.7 (2002: 5.25% or 4.2) Singapore cents per share for the financial year ending 31 March 2004. This interim dividend will be paid on 5 January 2004.

5. Closure of the Books

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 15 December 2003 for the preparation of dividend warrants.

Registrable Transfers received by the Company's Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00 pm on 12 December 2003 will be registered before entitlements to the dividend are determined.

6. Prospects

The business outlook for the remainder of the year remains steady. The Group will continue to expand the distribution of its GP branded products. The Group will increase its production of Lithium Ion and Nickel Metal Hydride batteries to meet the growing demands of the electronic industry.

During the past six months, prices of raw materials especially nickel and cobalt, have been on an upward trend. If this persists, there will be pressure to raise battery prices.

With the global acceptance of electric transportation, we expect additional business opportunities for EV and HEV batteries.

The Group continues to aggressively defend itself against the International Trade Commission action initiated by Energizer on patent infringement in the USA. At the same time, the Group has also initiated an action against the validity of Energizer's patent in the USA. Both the investigations and the action against Energizer will take some time to be resolved.

By Order of the Board
Andrew Ng Sung On
Chairman and Chief Executive
Singapore, 26 November 2003