

MEDIA RELEASE

For Immediate Release

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GP Batteries Announces its Unaudited Second Quarter and Half Year Results

Highlights of mainboard-listed GP Batteries International Limited's unaudited second quarter (Q2) and half year (H1) results:

	Q2 Ended 30/9/12 S\$'000	Q2 Ended 30/9/11 S\$'000 (Restated)	Change %	H1 Ended 30/9/12 S\$'000	H1 Ended 30/9/11 S\$'000 (Restated)	Change %
Revenue	199,635	201,665	(1.0)	384,995	396,834	(3.0)
Profit attributable to equity holders of the company	301	2,576	(88.3)	2,421	4,726	(48.8)
Basic Earnings Per Share (S Cents)	0.27	2.34	(88.5)	2.20	4.30	(48.8)
Interim Dividend Per Share (S Cents)	-	-	-	1.0	1.0	n/m

n/m denotes "not meaningful"

Business Review of GP Batteries

Turnover for the three months and six months ended 30 September 2012 was S\$199.6 million and S\$385.0 million respectively, a decrease of 1% and 3% over the corresponding period last year. Sales of rechargeable batteries decreased by 13% and 17%, while sales of primary batteries increased by 8% and 5% for the three months and six months ended 30 September 2012 respectively over the corresponding period last year.

Sales in the Americas and Greater China increased by 33% and 3% respectively while sales in Europe decreased by about 13% for the three months ended 30 September 2012 over the corresponding period last year. For the six months ended 30 September 2012, sales in the Americas and Greater China increased by 18% and 1% respectively while sales in Europe decreased by 9% over the corresponding six months period last year.

Profit before income tax for the three months and six months ended 30 September 2012 was S\$4.2 million and S\$11.0 million respectively as compared to S\$6.6 million and S\$12.4 million over the corresponding period last year. Gross profit margins for the three months and six months ended 30 September 2012 were 21.1% and 21.5% respectively, comparable to those of last year .

Distribution expenses for the three months and six months ended 30 September 2012 were S\$13.2 million and S\$25.5 million respectively, a decrease of 12% and 11% over the corresponding period last year mainly due to reduction of promotional expenses in mainland China and rationalization of sales operations in Europe.

Finance costs for the three months and six months ended 30 September 2012 were S\$2.2 million and S\$4.7 million respectively, an increase of about 27% over the corresponding period last year due to higher costs of borrowing despite the fact that total bank borrowings decreased to S\$206 million as at 30 September 2012 from S\$218 million as at 30 September 2011.

Share of loss of associates for the three months and six months ended 30 September 2012 was S\$1.0 million and S\$3.4 million respectively as compared to a gain of S\$0.5 million and S\$0.6 million last year mainly due to the inclusion of losses incurred by the Vectrix group of companies that had become associated companies of the Group following the restructure of Vectrix in March 2012.

As US dollar weakened in the 3 months ended 30 September 2012, translation of US dollar denominated monetary assets into local currencies and Renminbi denominated monetary liabilities into US dollar/HK dollar gave rise to an exchange loss of about S\$2 million.

The Group has launched an internet shop (<http://store.gpbatteries.com>) to capture sales via the internet.

Prospects of GP Batteries

Business outlook is mixed. Consumer and Industrial sectors will continue to be impacted by slower worldwide economy. Demand in the US appears to be picking up, but Europe is still sluggish after the Euro crisis. Outsourcing opportunities from other battery companies remain strong. The Group will continue to rationalize its operations to contain the rising cost in China due to mandatory wage increase and strengthening Renminbi. The Group will focus on enhancing the GP brand in selected markets and capitalize on e-transportation opportunities. A new EV battery is being prepared for the next generation of electric motorcycles that will be introduced next year. The new battery is cheaper, lighter and more powerful than our present product.

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