

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 and full year results:

	Q4 Ended 31/03/08 S\$'000	Q4 Ended 31/03/07 S\$'000	Change %	YTD 31/03/08 S\$'000	YTD 31/03/07 S\$'000	Change %
Revenue	197,296	205,676	(4.1)	976,382	819,722	19.1
Profit/(Loss) attributable to equity holders of the company	3,078	4,103	(25.0)	(4,612)	12,119	(138.1)
Basic Earnings Per Share (S Cents)	2.81	3.74	n/m	(4.21)	11.06	n/m
Dividend Per Share						
- Interim	1.1 Singapore Cents					
- Proposed Final	2.5 Singapore Cents					

N/M denotes not meaningful

Business Review of GP Batteries

For the quarter ended 31 March 2008, turnover decreased marginally to S\$197.3 million as compared to the corresponding period last year. Profit after tax attributable to equity holders of the Company decreased to S\$3.1 million as compared to S\$4.1 million for the same quarter last year mainly due to reduction in gain in commodity contracts.

For the year ended 31 March 2008, the Group's turnover was S\$976.4 million, a rise of 19.1% over the previous year. The loss after tax attributable to equity holders of the Company was S\$4.6 million, against a net profit of S\$12.1 million for last year. Turnover rose mainly due to the rise in sales of Nickel Metal Hydride rechargeable batteries (about 56%) and primary cylindrical batteries (about 10%). But, the 17% decline in 9-volt Alkaline and Carbon Zinc batteries partially negated this increase.

Distribution and administrative expenses were well under control. They increased by 7.3% and 1.8% respectively despite a sales growth of 19%.

Overall, turnover across regions increased, especially in North and South America, Europe, Japan and Hong Kong where each registered a rise of 36%, 33%, 30% and 13% respectively.

The Group has entered into an agreement with an electric vehicles manufacturer, Vectrix, for supply of Lithium Ferro Phosphate batteries. The Group has also started pilot production of a new generation lithium-ion batteries for notebook computers in our Taiwan factory.

The Group had entered into commodity swap contracts to manage fluctuating raw material prices. The Group recognized a realized gain of S\$5.8 million for the year and a realized loss of S\$2.9 million for the fourth quarter on matured commodity contracts. If the impact of realized gain/loss is taken out, the gross profit margins for both years were relatively steady despite volatility of material prices and increased costs over the two years. Outstanding commodity contracts as at 31 March 2008 were measured at fair values in accordance with FRS 39 resulting in an unrealized gain of S\$13.0 million for the fourth quarter and an unrealized loss of S\$36.0 million for the year.

Prospects of GP Batteries

Sales turnover is expected to remain steady. In view of fluctuating raw material prices and appreciating Renminbi, the Group will exert more effort in improving margins through price increase, cost control and product rationalization. It will focus on developing the emerging markets and continue to actively promote its GP brand.

Increase in activities in lithium-ion batteries and electrical transportation will provide the drivers for future potential growth.

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