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 31/03/13 S$'000	Q4 Ended 31/03/12 S$'000	Change %	YTD Ended 31/03/13 S$'000	YTD Ended 31/03/12 S$'000	Change %
Revenue	160,768	174,759	(8.0)	721,071	774,524	(6.9)
Profit attributable to equity holders of the Company	(19,181)	709	n/m	(16,182)	6,512	n/m
Basic Earnings Per Share *(S Cents)*	(17.46)	0.65	n/m	(14.73)	5.93	n/m
Dividend Per Share - Interim - Proposed Final	 1.0 *Singapore Cents* 1.0 *Singapore Cents*					

n/m denotes "not meaningful"

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

Turnover for the three months and twelve months ended 31 March 2013 was S$160.8 million and S$721.1 million respectively, a decrease of 8% and 7% over the corresponding period last year. Sales of rechargeable batteries decreased by 22%, while sales of primary batteries increased by 2% over the corresponding period last year.

Sales in Europe and the Greater China decreased by 10% and 1% respectively while sales in the Americas increased by 15% for the three months ended 31 March 2013. For the twelve months ended 31 March 2013, sales in Europe and the Greater China decreased by 12% and 3% respectively while sales in the Americas increased by 10% over the corresponding period last year.

Loss before income tax for the three months ended 31 March 2013 was S$15.6 million as compared to a profit of S$2.9 million over the corresponding period last year. Profit before income tax for the twelve months ended 31 March 2013 was S$1.4 million as compared to S$18.8 million over the corresponding period last year. Gross profit margins for the three months and twelve months ended 31 March 2013 were 20.3% and 20.9% respectively as compared to 18.7% and 20.5% over the corresponding period last year.

Distribution expenses for the three months and twelve months ended 31 March 2013 were S$12.1 million and S$49.9 million respectively, a decrease of about 7% and 11% over the corresponding period last year due to lower sales and rationalization of sales operations in Europe.

Finance costs for the three months ended 31 March 2013 were S$1.9 million as compared to S$2.4 million over the corresponding period last year. This is mainly attributable to reduced borrowings in the second half of this financial year as the Group was able to generate positive cash flow to bring total bank borrowings down from S$206 million at 30 September 2012 to S$190 million at 31 March 2013. Finance costs for the twelve months ended 31 March 2013 were S$8.7 million, an increase of 5% over the corresponding period last year mainly due to higher costs of borrowing.

Share of loss of associates for the three months and twelve months ended 31 March 2013 was S$3.2 million and S$12.2 million respectively as compared to a loss of S$1.4 million and S$1.7 million last year mainly due to (a) the inclusion of losses of S$7.0 million incurred by the Vectrix Group of companies that had become associated companies of the Group following the restructure of Vectrix in March 2012, (b) the provision for additional tax assessment of RMB23 million (S$4.5 million) in the third quarter as a result of a transfer pricing examination conducted by the local tax authority on STL Technology (SIP) Co Ltd, and (c) impairment provisions of S$2.5 million made in the third quarter on the plants and machinery and inventories of STL Group due to its recurring loss position arising from the continued slowdown in the notebook computer market.

The Group recorded a net other operating expenses of S$10.2 million for the three months ended 31 March 2013 as compared to a net other operating income of S$6.9 million over the same period last year mainly due to (a) provision for impairment loss of S$10 million on investment in (including receivables from) the Vectrix Group which engages in the design, development and production of award-winning electric scooters. The provision for impairment loss arose as a result of the carrying value of the investment (including receivables) exceeding the recoverable amount as determined by the expected future cash flow generated; and (b) an impairment loss of S$2.9 million on receivables from an associated company that manufactures Lithium Polymer batteries.

The Group recorded in the third quarter under other operating income a compensation income of US$8 million (S$10.1 million) from Boston Power in consideration for terminating the Minimum Purchase Requirement under the Manufacturing Agreement with the Group's subsidiary in Taiwan.

A new range of consumer solar products was introduced and the range of portable PowerBank was extended to cater for the rising demand. Three new types of Lithium ion batteries were developed for e-bike applications.

Notwithstanding substantial provision for impairment loss, the Group's business fundamentals remain sound. For the twelve months ended 31 March 2013, the Group generated positive cash flow of S$26.6 million from operating activities, which exceeded that of last year.

Prospects of GP Batteries

Business outlook remains uncertain as there are no major signs of economic pickup; in particular, market condition in Europe seems to be deteriorating. Appropriate actions such as restructuring and consolidation will be taken to contain losses from loss-making businesses. Nevertheless, the Group is well poised to capture sales opportunities to other battery companies as they arise.

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