

Announcement of Unaudited Results

For the Third Quarter Ended 31 December 2003

The Board of Directors of GP Batteries International Limited is pleased to announce the unaudited results of the Group for the third quarter ended 31 December 2003 as set out below:

	The Group					
	3Q 2003	3Q 2002	%	3Q YTD	3Q YTD	%
	S\$'000	S\$'000	+ / (-)	2003	2002	+ / (-)
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
1. Revenue	224,551	183,685	22.2	628,114	511,055	22.9
Cost of sales	<u>(165,076)</u>	<u>(128,976)</u>	28.0	<u>(466,410)</u>	<u>(387,535)</u>	20.4
Gross profit	59,475	54,709	8.7	161,704	123,520	30.9
Other operating income	335	1,010	(66.8)	1,480	1,604	(7.7)
Distribution expenses	(15,370)	(17,888)	(14.1)	(39,810)	(33,431)	19.1
Administrative expenses	(26,589)	(24,985)	6.4	(73,169)	(58,306)	25.5
Other operating expenses	(742)	(1,936)	(61.7)	(2,894)	(3,819)	(24.2)
Profit from operations	17,109	10,910	56.8	47,311	29,568	60.0
Finance costs	(2,460)	(2,015)	22.1	(7,360)	(7,842)	(6.1)
Profit before share of results of associates	14,649	8,895	64.7	39,951	21,726	83.9
Share of results of associates	2,720	1,922	41.5	7,621	6,302	20.9
Profit before income tax	17,369	10,817	60.6	47,572	28,028	69.7
Income tax expense	(2,612)	(1,566)	66.8	(6,972)	(3,812)	82.9
Profit after income tax	14,757	9,251	59.5	40,600	24,216	67.7
Minority interests	(1,201)	230	N/M	(3,117)	668	N/M
Profit attributable to shareholders	13,556	9,481	43.0	37,483	24,884	50.6
N/M: not meaningful						
2. Earnings per ordinary share of S\$0.80 each						
(a) Basic	12.77 cents	9.16 cents		35.71 cents	24.04 cents	
(b) Fully diluted	12.36 cents	9.13 cents		34.96 cents	23.96 cents	
Weighted average number of ordinary shares	106,150,453	103,502,168		104,952,083	103,502,037	

3. Review of Performance

The Group's turnover for the three months ended 31 December 2003 was S\$224.6 million, an increase of 22.2% over the corresponding period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company for the third quarter was S\$13.6 million, an increase of 43.0%.

For the nine months ended 31 December 2003, the Group's turnover was S\$628.1 million, an increase of 22.9% over that of the same period last year. The consolidated net profit after taxation and minority interests attributable to members of the Company for the first three quarters was S\$37.5 million, an increase of 50.6%.

The increase in turnover was attributable to the continued increase in turnover of high-capacity Nickel Metal Hydride and Lithium-ion rechargeable batteries and the consolidation of sales of Zhongyin Ningbo Battery Co. Ltd ("Ningbo Batteries") after the acquisition in November 2002.

Sales in Asia, especially Hong Kong and China, continued to grow as the market gradually recovered following containment of the SARS outbreak. During the third quarter, export sales to America and Europe increased by about 34% and 25% respectively.

Gross profit increased by 30.9% to S\$161.7 million for the nine months ended 31 December 2003. Gross profit margin for the third quarter was slightly affected by the increase in prices of raw materials especially nickel and cobalt. However, profit attributable to shareholders maintained at about 6% due to the contributions from associates and continued cost control.

Total distribution expenses and administrative expenses incurred for the first three quarters were higher as compared to the previous corresponding period mainly due to inclusion of Ningbo Batteries since November 2002.

Production capacities for Lithium-ion and Nickel Metal Hydride batteries have been expanded to meet the increase in demand.

On 16 October 2003, the Company issued the second series of US\$30 million Floating Rate Notes due 2006 and the third series of S\$55 million Floating Rate Notes due 2006 pursuant to its S\$500 million Multicurrency Debt Issuance Programme established in May 2002. Part of the net proceeds from the issue of the Notes has been used to refinance existing borrowings.

4. Prospects

The general business outlook continues to be steady. The effect of the drastic increase in commodity prices has been cushioned by improvement in the general market conditions and battery prices adjustments.

The Group will continue to increase production capacities to meet expected increase in demand. It will further promote its GP brand name and capitalise on its strong worldwide distribution network, especially in China.

The Group will continue to explore more business opportunities for Electric Vehicle batteries and Thin Metal Film Lead Acid batteries.

The Company was notified on 26 January 2004 that the Minister for Trade and Industry had approved the extension of its International Headquarters ("IHQ") Award by the Economic Development Board of Singapore. The IHQ status shall be for a 5-year period commencing 1 July 2002.

On 30 January 2004, the Group's dispute with Energizer Holdings, Inc and Eveready Battery Company, Inc ("Energizer") was resolved through a cross licensing agreement that provided all parties with the freedom to operate throughout the world.

By Order of the Board
Andrew Ng Sung On
Chairman and Chief Executive
Singapore, 24 February 2004