

MEDIA RELEASE

31 January 2008

GP Batteries Announces its Unaudited Third Quarter and Nine Months Results

Highlights of mainboard-listed GP Batteries International Limited's unaudited third quarter (Q3) and nine months (YTD) results:

	Q3 Ended 31/12/07 S\$'000	Q3 Ended 31/12/06 S\$'000	Change %	YTD 31/12/07 S\$'000	YTD 31/12/06 S\$'000	Change %
Revenue	257,908	201,564	28.0	779,086	614,046	26.9
Profit/(Loss) attributable to equity holders of the company	(2,094)	2,989	(170.1)	(7,690)	8,017	(195.9)
Basic Earnings Per Share (S Cents)	(1.91)	2.73	n/m	(7.01)	7.31	n/m

n/m denotes "not meaningful"

Business Review of GP Batteries

Turnover for the three months ended 31 December 2007 was S\$257.9 million, an increase of 28.0% over the corresponding quarter of the previous year. For the nine months ended 31 December 2007 the Group recorded a growth of 26.9%, an increase of S\$165.0 million over the same period of the previous year.

Sales of Nickel Metal Hydride (NiMH) rechargeable batteries and primary cylindrical batteries for this quarter increased by 82.5% and 19.7% respectively over the corresponding quarter of the previous year. Year-to-date, sales of NiMH rechargeable batteries rose by 65.4% while sales of primary cylindrical batteries grew by 15.0% over the corresponding period of the previous year.

In the third quarter, sales across all markets registered growth particularly Europe and North & South America, where growth in each market was more than 40% over the same period of the previous year.

Gross profit for the three months ended 31 December 2007 was slightly lower than that of the corresponding quarter in the previous year despite the increase in sales. This was mainly due to a realized loss of S\$5.2 million on matured commodity contracts recognized for the current quarter.

Due to lower commodity prices in the third quarter, an unrealized loss of S\$1.2 million (year-to-date 31 December 2007: S\$48.9 million; second quarter ended 30 September 2007: S\$21.3 million) from commodity contracts which were outstanding as at 31 December 2007 has been taken up in the profit and loss account under other operating expenses for this quarter in accordance with FRS 39. The decrease in other operating income was due to an unrealized gain of S\$6.5 million recognised for commodity contracts outstanding as at 31 December 2006.

The Group will cooperate with a battery research and development company to mass produce Lithium Ion (Li-ion) batteries for notebook computers at the Group's factory in Taiwan. These next-generation Li-ion batteries feature enhancements in both performance and safety and give the fastest recharge time available in the industry.

Prospects of GP Batteries

Sales volume is expected to remain robust in the coming months. However, margins will continue to be volatile due to fluctuating raw material prices, appreciation of the Renminbi, the ability to recover higher costs through price increase and introduction of new products.

The Group will speed up the re-tooling of the Taiwan factory and focus on streamlining its operations to improve utilization of resources.

###

Enquiries:

KL Tsang, Director & General Manager
Tel: 6559 9800