

MEDIA RELEASE

For Immediate Release

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GP Batteries Announces its Unaudited First Quarter Results

Mainboard-listed GP Batteries International Limited today announced its unaudited results for the three months ended 30 June 2010.

Highlights of GP Batteries' results

	Q1 Ended 30/06/10 S\$'000	Q1 Ended 30/06/09 S\$'000	Change %
Revenue	222,302	187,239	18.7
Profit attributable to equity holders of the company	8,060	10,667	(24.4)
Basic Earnings Per Share (S Cents)	7.35	9.72	(24.4)

n/m denotes "not meaningful"

Business Review of GP Batteries

Turnover for the three months ended 30 June 2010 was S\$222.3 million, an increase of 19% over the corresponding period last year.

The higher turnover was mainly due to the rise in sales of primary and rechargeable batteries by 28% and 10% respectively. Sales to North and South America increased by 44% as a result of strong demand in private label business. Total sales to Asia rose by 23%.

Profit before income tax for the three months ended 30 June 2010 was S\$12.9 million, as compared to S\$13.7 million over the same period last year. The higher profit before income tax last year was mainly due to a foreign exchange gain of S\$4.2 million. The underlying profit (i.e. profit before income tax after adjustments of other operating income, other operating expenses and exchange gain/loss) of the Group has increased to S\$12.2 million from S\$9.4 million last year.

Gross profit margin for the three months ended 30 June 2010 was approximately 22% which was comparable to the corresponding period of last year.

Distribution expenses and administrative expenses for the three months ended 30 June 2010 were S\$13.8 million and S\$23.9 million respectively, an increase of 12% and 16% over the corresponding period last year, in line with the increase in turnover.

Finance costs for the three months ended 30 June 2010 were S\$2.1 million, a decrease of 23% over the corresponding period due to lower bank borrowings.

The SAP project to enhance the Group's information technology management and work process is progressing according to schedule. The system is now up and running in China and Poland.

The Group has entered into a memorandum of understanding with a major battery maker in Vietnam to explore business opportunities.

Our newly acquired electric motorcycle company, Vectrix, has restarted production and is in the process of reorganizing its distribution system in Europe and the United States.

Prospects of GP Batteries

The business outlook remains positive especially for primary batteries. However, margins may be affected due to wage increase in China, appreciation of the Renminbi and the volatility of raw material prices.

Worldwide sales and marketing offices will be streamlined and strengthened to meet the future growth of those markets. The introduction of new products will be sped up. The Group will continue to focus on improving its working capital efficiency.

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