

MEDIA RELEASE

For Immediate Release

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GP Batteries Announces its Unaudited Third Quarter and Nine-Month Results

Highlights of mainboard-listed GP Batteries International Limited's unaudited third quarter (Q3) and nine-month (YTD) results ended 31 December 2011:

	Q3 Ended 31/12/11 S\$'000	Q3 Ended 31/12/10 S\$'000 (Restated)	Change %	YTD Ended 31/12/11 S\$'000 (Restated)	YTD Ended 31/12/10 S\$'000 (Restated)	Change %
Revenue	202,931	192,660	5.3	599,765	654,345	(8.3)
Profit attributable to equity holders of the company	1,077	3,028	(64.4)	5,803	18,614	(68.8)
Basic Earnings Per Share (S Cents)	0.98	2.76	(64.4)	5.28	16.96	(68.8)

Business Review of GP Batteries

Turnover for the three months and nine months ended 31 December 2011 was S\$202.9 million and S\$599.8 million respectively, an increase of 5% and a decrease of 8% respectively over the corresponding period last year. As the Singapore dollar has strengthened against the US dollar, the turnover in US dollar terms for the nine months ended 31 December 2011 was essentially the same as compared to the same period last year.

Sales of rechargeable batteries decreased by about 10% and 20% for the three months and nine months ended 31 December 2011 respectively over the corresponding period last year. Sales of primary batteries increased by 12% for the three months ended 31 December 2011 though there was an overall decrease by about 2% for the nine-month period.

Sales in the Americas and Europe for the 3 months ended 31 December 2011 increased by 3% and 9% respectively as compared to the same period last year; though on a nine-month basis, they were still short by 22% and 5% respectively. Sales in China increased by 25% and 4% respectively for the three months and nine months ended 31 December 2011.

Profit before income tax for the three months and nine months ended 31 December 2011 was S\$3.4 million and S\$15.8 million respectively as compared to S\$4.3 million and S\$28.6 million over the corresponding periods last year. Gross profit margins for the three months and nine months ended 31 December 2011 were 20.8% and 21.0%, comparable to those of last year.

Distribution expenses for the nine months ended 31 December 2011 were S\$42.9 million, a decrease of 15% over the corresponding period last year.

Share of loss of associates for the three months and nine months ended 31 December 2011 was S\$0.9 million and S\$0.3 million respectively. As Ningbo Fubang Battery Co Ltd became a subsidiary in January 2011, its results were no longer accounted for under share of results of associates. The termination of a tablet computer project by a large computer maker had a significant negative impact on the results of an associate which supplied the related battery packs.

The Group has set up a marketing company in the Middle East to access the Middle East and African markets. In the consumer market, the Group has launched a series of Portable PowerBank products which allows users to quickly re-charge their smart phones and tablet computers while on the move.

Prospects of GP Batteries

Against the backdrop of a weak global economic environment, the business outlook is uncertain. While commodity prices have become less volatile, operating costs in China continue to rise due to increase in wages and appreciation of the Renminbi. Slowdown seen in some electronic segments may affect the outlook for the utilization of production facilities. Debt crisis in Eurozone is affecting customer confidence and delaying their order cycles. In addition to cost control, the Group will endeavor to improve margin through channel rationalization. The Group will continue to build the GP brand worldwide especially in emerging markets and develop the e-transport opportunity.

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