

MEDIA RELEASE

For Immediate Release

10 November 2011

GP Batteries Announces its Unaudited Second Quarter and Half Year Results

Highlights of mainboard-listed GP Batteries International Limited's unaudited second quarter (Q2) and half year (H1) results:

	Q2 Ended 30/9/11 S\$'000	Q2 Ended 30/9/10 S\$'000 (Restated)	Change %	H1 Ended 30/9/11 S\$'000	H1 Ended 30/9/10 S\$'000 (Restated)	Change %
Revenue	201,665	239,383	(15.8)	396,834	461,685	(14.0)
Profit attributable to equity holders of the company	2,576	7,526	(65.8)	4,726	15,586	(69.7)
Basic Earnings Per Share (S Cents)	2.34	6.86	(65.8)	4.30	14.21	(69.7)
Interim Dividend Per Share (S Cents)	-	-	-	1.0	2.0	n/m

n/m denotes "not meaningful"

Business Review of GP Batteries

Turnover for the three months and six months ended 30 September 2011 was S\$201.7 million and S\$396.8 million respectively, a decrease of 16% and 14% over the corresponding period last year. As the Singapore dollar has strengthened against the US dollar, these decreases in turnover when recorded in US dollars were about 8% and 5% respectively.

Sales of rechargeable batteries decreased by 34% and 25%, while sales of primary batteries decreased by 7% and 8% for the three months and six months ended 30 September 2011 respectively over the corresponding period last year. Sales had generally decreased across all regions, with sales to Europe and Greater China decreased by around 10% while sales to the US decreased by about 30% for both the three months and six months ended 30 September 2011.

Profit before income tax for the three months and six months ended 30 September 2011 was S\$6.6 million and S\$12.4 million respectively as compared to S\$11.5 million and S\$24.4 million over the corresponding period last year. Gross profit margins for the three months and six months ended 30 September 2011 were 21.6% and 21.3%, comparable to those of last year.

Distribution expenses for the three months and six months ended 30 September 2011 were S\$14.9 million and S\$28.7 million respectively, a decrease of 18% and 20% over the corresponding period last year as a result of lower sales and tighter control over these expenses.

Finance costs for the three months and six months ended 30 September 2011 were S\$1.8 million and S\$3.7 million respectively, a decrease of 23% and 15% over the corresponding period last year due to lower average bank borrowings this period.

Share of results of associates for the three months and six months ended 30 September 2011 was S\$0.5 million and S\$0.6 million respectively, a decrease of 73% and 86% over the corresponding period last year. As an associate, 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 Group's Vectrix scooters, VX-1 and VX-2 have won "European e-Scooter of the Year" Award at the prestigious Circuit Zolder "Clean Week 2020" event launch in Belgium.

The Group has been adjusting prices to offset increased costs. This has been met with market resistance in the current weak economic environment. The Group took this opportunity to rationalise its customer base and streamline the GP distribution channels worldwide.

Prospects of GP Batteries

The business outlook has not improved. The debt crisis in Europe and slow recovery in the US weaken market demand for the Group's products. Commodity prices seem to have stabilised but operating costs in China continue to rise. The Group will focus on GP branded products which are more within its control.

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