



MEDIA RELEASE

For Immediate Release

5 February 2013

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 2012:

	Q3 Ended 31/12/12 S\$'000	Q3 Ended 31/12/11 S\$'000	Change %	YTD Ended 31/12/12 S\$'000	YTD Ended 31/12/11 S\$'000	Change %
Revenue	175,308	202,931	(13.6)	560,303	599,765	(6.6)
Profit attributable to equity holders of the company	578	1,077	(46.3)	2,999	5,803	(48.3)
Basic Earnings Per Share (S Cents)	0.53	0.98	(45.9)	2.73	5.28	(48.3)

Business Review of GP Batteries

Turnover for the three months and nine months ended 31 December 2012 was S\$175.3 million and S\$560.3 million respectively, a decrease of about 14% and 7% over the corresponding period last year. Sales of rechargeable batteries decreased by 31% and 21%; while sales of primary batteries decreased by 4% and increased by 2% for the three months and nine months ended 31 December 2012 respectively over the corresponding period last year.

Sales decreased across all regions for the 3 months ended 31 December 2012: 6% for the Americas, 18% for Europe and 14% for Greater China over the corresponding period last year. For the nine months ended 31 December 2012, sales in Europe and Greater China decreased by 12% and 4% respectively while sales in the Americas increased by 9% over the corresponding nine months period last year.

Profit before income tax for the three months and nine months ended 31 December 2012 was about S\$6.1 million and S\$17.1 million respectively as compared to S\$3.4 million and S\$15.8 million over the corresponding period last year. Gross profit margins for the three months and nine months ended 31 December 2012 were 20.1% and 21.0% respectively, comparable to those of last year.

Distribution expenses for the three months and nine months ended 31 December 2012 were S\$12.3 million and S\$37.8 million respectively, a decrease of about 13% and 12% over the corresponding period last year due to lower sales and rationalization of sales operations in Europe.

Finance costs for the nine months ended 31 December 2012 were S\$6.8 million, an increase of about 16% over the corresponding period last year due to higher costs of borrowing despite the fact that total bank borrowings decreased to S\$197 million as at 31 December 2012 from S\$216 million as at 31 December 2011.

Share of loss of associates for the three months and nine months ended 31 December 2012 was S\$5.6 million and S\$9 million respectively as compared to S\$0.9 million and S\$0.3 million last year mainly due to (a) the inclusion of losses incurred by the Vectrix group of companies that had become associated companies of the Group following the restructure of Vectrix in March 2012, (b) the provision for additional tax assessment of RMB23 million (S\$4.5 million) as a result of a transfer pricing examination conducted by the local tax authority on STL Technology (SIP) Co Ltd, and (c) impairment provisions on the plants and machinery and inventories of STL Group due to its recurring loss position arising from the continued slowdown in the notebook computer market.

Net other operating income for the three months and nine months ended 31 December 2012 were S\$11.6 million and S\$15.4 million respectively as compared to a net operating loss of S\$0.3 million and NIL last year mainly due to a compensation of US\$8 million (S\$10.1 million) from Boston Power in consideration for terminating the Minimum Purchase Requirement under the Manufacturing Agreement with the Group's subsidiary in Taiwan.

Prospects of GP Batteries

Business outlook continues to be mixed. Although there is no clear sign for economic recovery, OEM sales opportunities to other battery companies remain strong. On the manufacturing front, the Group will further rationalise the factories in China to contain the rising costs. On the sales front, the Group will further streamline its worldwide distribution to improve sales productivity. The Group will continue to explore E-transportation opportunities.

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Enquiries:

KL Tsang, Director & General Manager

Tel: 6559 9800