

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 2013.

Highlights of GP Batteries' results

	Q1 Ended 30/06/13 S\$'000	Q1 Ended 30/06/12 S\$'000	Change %
Revenue	163,936	185,360	(11.6)
Profit attributable to equity holders of the company	107	2,120	(95.0)
Basic Earnings Per Share (<i>S Cents</i>)	0.10	1.93	(95.0)

Business Review of GP Batteries

Turnover for the three months ended 30 June 2013 was S\$163.9 million, a decrease of 11.6% over the corresponding period last year. Sales of rechargeable batteries and primary batteries decreased by 18.5% and 7.2% respectively over the corresponding period last year. Sales in Europe and Asia decreased by about 15% while sales in the Americas increased by 7.7% for the three months ended 30 June 2013. The recent strengthening of USD has affected sales as some customers have held back orders.

Profit before income tax for the three months ended 30 June 2013 was S\$4.5 million as compared to S\$6.7 million over the corresponding period last year. Gross profit margins were 23.5% as compared to 21.9% over the corresponding period last year due to lower material costs and reduced factory overhead.

Distribution expenses for the three months ended 30 June 2013 were S\$10.9 million, a decrease of about 12% over the corresponding period last year due to lower sales.

Finance costs for the three months ended 30 June 2013 were S\$1.8 million as compared to S\$2.5 million over the corresponding period last year. This was mainly attributable to reduced borrowings from about S\$212 million at 30 June 2012 to S\$187 million at 30 June 2013 due to positive cashflow generated by the Group, as well as lower costs of borrowing.

Net other operating income for the three months ended 30 June 2013 was S\$0.7 million as compared to S\$4 million over the same period last year. Last year, there was a gain of S\$2.6 million arising from the disposal of a staff quarters in Shanghai following the relocation of Shanghai Bi Ba plant.

Share of loss of associates for the three months ended 30 June 2013 was S\$1.6 million as compared to S\$2.6 million over the same period last year mainly due to improved operating results of the STL Group with reduced losses.

Prospects of GP Batteries

In the absence of major signs of economic recovery, business outlook remains uncertain particularly for the European market. Costs pressure has eased slightly due to depressed material prices and the absence of RMB appreciation pressure. The Group will focus on rationalizing its product range, speeding up the introduction of new products and optimizing sales channel. These initiatives will assist the Group to improve its sales revenue.

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