

MEDIA RELEASE

For Immediate Release

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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 30/9/13 S\$'000	Q2 Ended 30/9/12 S\$'000 (Restated)	Change %	H1 Ended 30/9/13 S\$'000	H1 Ended 30/9/12 S\$'000 (Restated)	Change %
Revenue	190,028	199,635	(4.8)	353,964	384,995	(8.1)
Profit attributable to equity holders of the company	150	301	(50.2)	257	2,421	(89.4)
Basic Earnings Per Share (S Cents)	0.14	0.27	(48.1)	0.23	2.20	(89.5)
Interim Dividend Per Share (S Cents)	-	-	-	NIL	1.0	n/m

n/m denotes "not meaningful"

Business Review of GP Batteries

Turnover for the three months and six months ended 30 September 2013 was S\$190.0 million and S\$354.0 million respectively, a decrease of 4.8% and 8.1% over the corresponding period last year. Sales of rechargeable batteries decreased by 6.9% and 12.8% for the three months and six months ended 30 September 2013 respectively over the corresponding period last year. While sales of primary batteries for the three months ended 30 September 2013 were comparable to the same period last year, sales for the six months ended 30 September 2013 decreased by 3.4% over the corresponding period last year.

Sales in Europe and Asia decreased by 4.6% and 8.1% respectively while sales in the Americas increased by 2.2% for the three months ended 30 September 2013 over the corresponding period last year. For the six months ended 30 September 2013, sales in Europe and Asia decreased by about 9.8% and 11.4% respectively while sales in the Americas increased by 4.6%.

Profit before income tax for the three months and six months ended 30 September 2013 was S\$4.9 million and S\$9.4 million respectively as compared to S\$4.4 million and S\$11.1 million over the corresponding period last year. Gross profit margins for the three months and six months ended 30 September 2013 were 22.0% and 22.7% as compared to 21.1% and 21.5% over the corresponding period last year due to reduced factory overheads and lower material costs as a result of lower commodity prices.

Distribution expenses for the three months and six months ended 30 September 2013 were S\$12.3 million and S\$23.2 million, a decrease of about 6.7% and 9.1% over the corresponding period last year due to lower sales.

Finance costs for the three months and six months ended 30 September 2013 were S\$1.9 million and S\$3.7 million as compared to S\$2.2 million and S\$4.7 million over the corresponding period last year. This was mainly due to reduced bank borrowings as well as lower costs of borrowing.

Net other operating income for the six months ended 30 September 2013 was S\$1.0 million as compared to S\$3.8 million over the same period last year as 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 last year.

Share of loss of associates for the three months and six months ended 30 September 2013 was S\$2.0 million and S\$3.7 million as compared to S\$0.8 million and S\$3.4 million over the same period last year mainly due to higher costs incurred for projects undertaken by Vectrix.

Vectrix has continued to be a drain on the Group's financial resources. The Group is in discussion with different parties on the funding plan of Vectrix.

Prospects of GP Batteries

Business outlook remains volatile. However, the Group has been rationalizing the capacities at different factories to improve cost efficiency. We are starting to see the initial benefits of automation program in offsetting part of the rise in labour costs.

High capacity lithium ferro phosphate products targeted at the Energy Storage System and telecommunication markets were introduced to different countries in Asia to take advantage of our local presence.

Electric vehicle market is proving to be slow and price sensitive. We will limit our investment in this arena until we get better visibility.

Sales revenue growth in the coming quarters will be the primary focus of our efforts.

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