



**TOP GLOVE CORPORATION BERHAD** (474423-X)

TOP QUALITY, TOP EFFICIENT, GOOD HEALTH,  
SAFETY FIRST & BE HONEST

**PRESS STATEMENT/KENYATAAN AKHBAR/新聞發表**

**3<sup>rd</sup> Quarter 2010 (01/3/10 to 31/05/10) Financial Results**

**Klang, 16<sup>th</sup> June, 2010**

**NOTE TO EDITORS:** This Press Statement is issued by Tan Sri Dato Sri Lim, Wee-Chai (Chairman) and Lim Cheong Guan (Executive Director) of Top Glove Corporation Berhad.

**Highlights :**

- 1) PBT for 9 months ended 3Q10 at RM263.9 mil, UP 85% from 9 months ended 3Q09, and more than 12 months of FY09 of RM222.0 million.
- 2) Net Profit for 9 months ended 3Q10 at RM204.2 mil, UP 81% from 9 months ended 3Q09, and more than 12 months of FY09 of RM168.1 million.
- 3) Revenue for 9 months ended 3Q10 at RM1,538.0 mil, UP 39% from 9 months ended 3Q09.
- 4) EPS for 9 months ended 3Q10 at 66.5 sen, UP 74% from 9 months ended 3Q09
- 5) Interim dividend of 14 sen per share, up 100% from last year interim dividend
- 6) Continuously strong & healthy balance sheet with net cash position of RM273 mil as at 31 May 2010.

**Summary of Income Statement :**

	3 months			9 months		
	3Q10 3 mths ended 31 May 2010	3Q09 3 mths ended 31 May 2009	Variance	9M10 9 mths ended 31 May 2010	9M09 9 mths ended 31 May 2009	Variance
Sales (RM mil)	555.9	372.0	49%	1,538.0	1,104.6	39%
Profit before Tax (RM mil)	83.3	54.3	53%	263.9	142.5	85%
Net profit (RM mil)	65.4	42.4	54%	204.2	113.1	81%

The Group sales revenue for the 9 months ended 31 May 2010 has increased by 39% to RM1.54 billion from RM1.10 billion for last year corresponding period. The profit before tax for 9 months and 3 months ended 31 May 2010 comparing to last year's same period has increased by 85% to RM263.9 million and 53% to RM83.3 million respectively. The group 9 months net profit of RM204.2 million, is 21% higher than the full year profit for financial year 2009 of RM168.1 million.

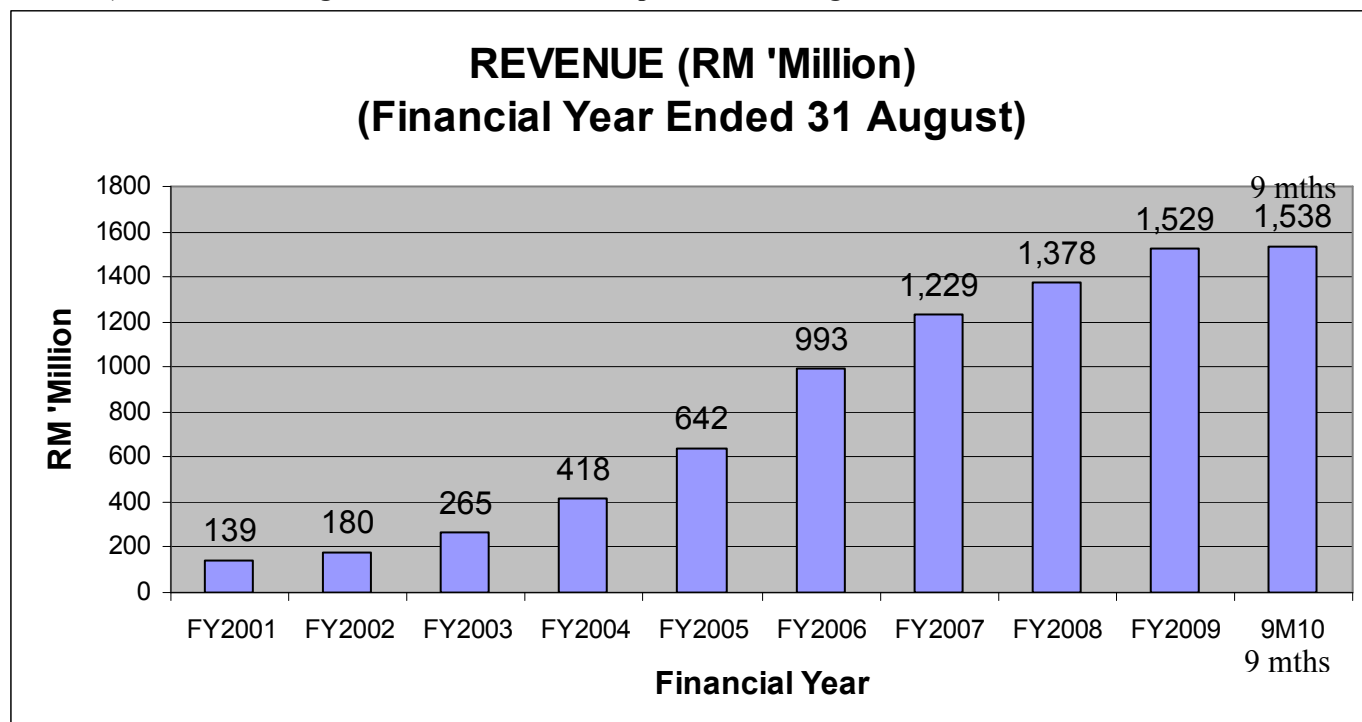
The Group continues with its strong profit growth momentum as demand for gloves continue to increase, especially from the emerging markets and also benefiting from cost saving measures implemented at all factories, improvements in product quality, productivity, as well as aggressive marketing strategies to maintain its world number one market position.

The Group announced an interim dividend of 14 sen per share, which is 100% higher than last year's interim dividend of 7 sen per share. The balance sheet position strengthened further with a net cash position of RM273.0 million and free cash flow of RM147.2 million for the period ended 31 May 2010. The Group had fully redeemed the RM35 million bonds before its maturity in December 2010, in view of the strong cash flow position.

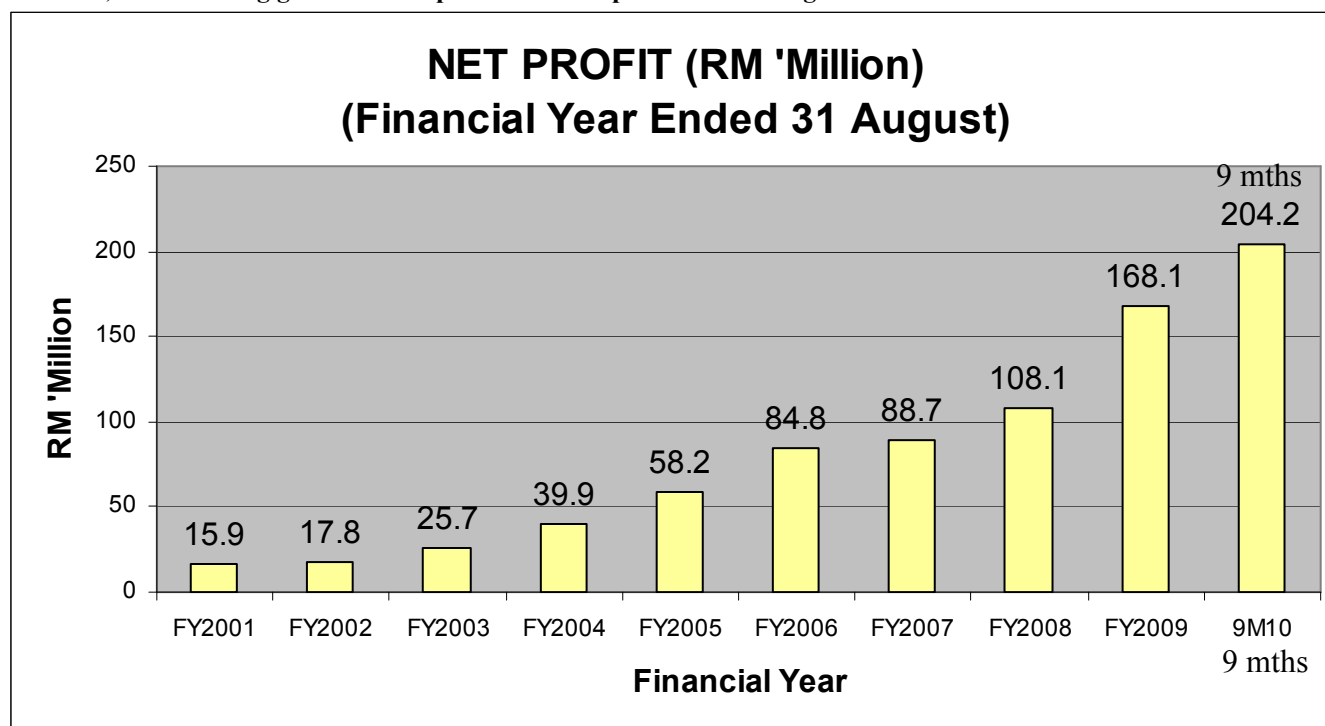
The financial results of the Group since financial year 2001 (year of listing) are as follow :

RM 'mil	Financial Year ended 31 August									9M10 9 months ended 31 May 10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Revenue	138.9	180.2	265.1	418.1	641.8	992.6	1,228.8	1,377.9	1,529.1	1,538.0
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	308.5
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	20.1%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	263.9
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	17.2%
Taxation	1.3	2.4	3.6	5.3	7.5	7.0	29.9	26.5	53.9	59.7
PAT	15.9	17.8	25.7	39.9	58.2	84.8	88.7	108.1	168.1	204.2
PAT margin	11.4%	9.9%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	13.3%

**b) Consistent growth in revenue with compounded annual growth rate of 36%**



c) **Strong growth in net profit with compounded annual growth rate of 36%**



d) **Strong and healthy balance sheet**

	As at 31 May 2010	As at 31 May 2009	Variance
	(RM'million)	(RM'million)	(%)
Total cash in banks	283.8	173.2	64%
Total borrowings	10.8	90.0	(88%)
Net cash	273.0	83.2	228%
Net cash flow from operating activities	185.6	231.5	(20%)
Free cash flow	147.2	176.2	(16%)
Shareholders equity	1,040.0	801.1	30%
Net assets per share (RM)	3.4	2.7	26%

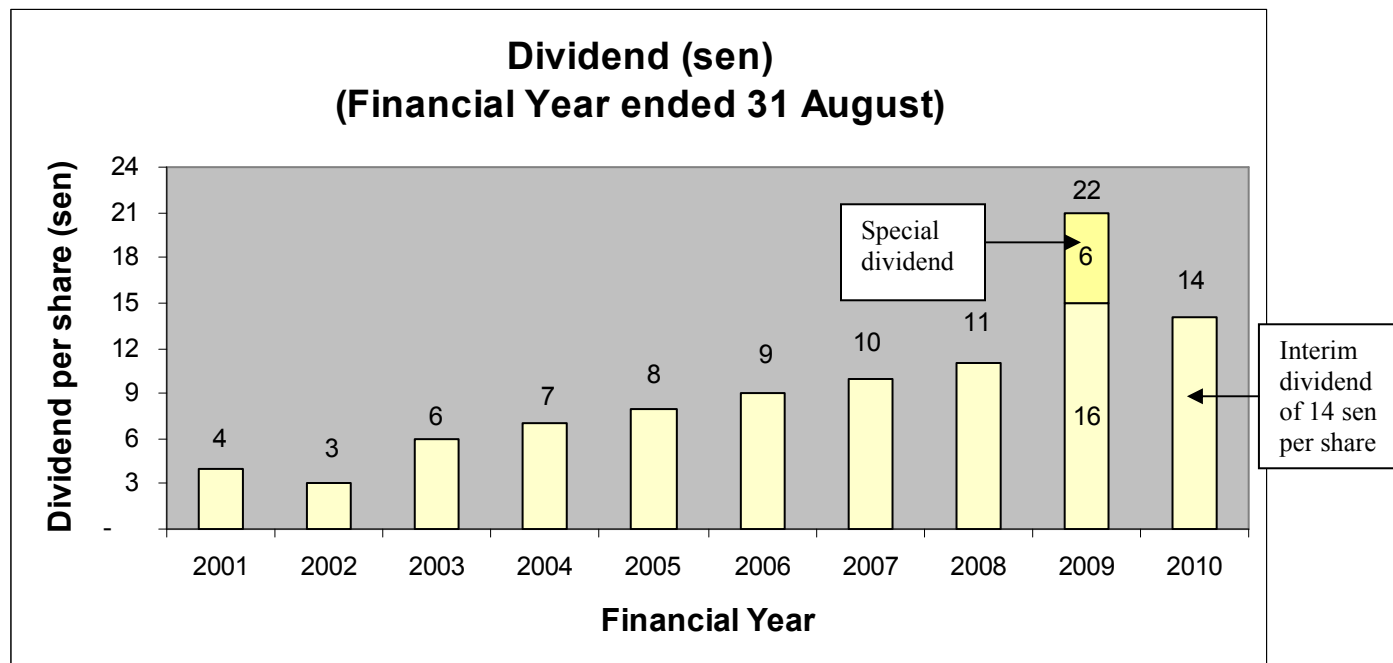
## Dividends (Financial Year-Ended 31 August)

The Group has revised its target dividend payout ratio to 40% from its net profit, compared with 30% payout ratio in previous years.

Record of dividends :-

Financial Year	Dividend % (on par value)	Dividend per share (sen)	Total Dividend (RM'000)	Status
2010	First Interim - 28%	14	43,183	Proposed
2009	44%	22	65,872	Paid
2008	22%	11	32,389	Paid
2007	20%	10	27,435	Paid
2006	18%	9	21,173	Paid
2005	16%	8	14,110	Paid
2004 *	14%	7	12,295	Paid
2003 *	12%	6	9,550	Paid
2002 *	6%	3	2,808	Paid
2001 *	8%	4	4,000	Paid
Total			232,815	

\* Dividend per share has been adjusted to reflect the subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.



## Prospects

Top Glove, the world's largest rubber glove manufacturer with its good and established corporate culture, has always strived towards its business direction of consistently producing top quality gloves with efficient low cost. It has forged ahead strongly with specific efforts undertaken to improve and innovate its glove quality, marketing strategies, productivity enhancement and cost efficiency. Top Glove has more than 900 customers worldwide and exports to more than 180 countries.

	<b>As at 16<sup>th</sup> June 2010</b>
Number of Factories	20 (14 in Malaysia, 4 in Thailand, 2 in China)
Number of Glove Production Lines	371
Glove Production Capacity	33 billion pcs per annum
Number of Employees	10,900
Estimated world demand	150 billion pcs of gloves for the year 2010

The Group on-going expansion plans are as follow :-

<b>Factory</b>	<b>Location</b>	<b>No. of additional lines</b>	<b>Capacity p.a</b>	<b>Target completion</b>
Factory 18	Banting, Malaysia	8	0.75 billion pcs	July 2010
Factory 21	Klang, Malaysia	16	1.5 billion pcs	August 2010
Factory 7	Sadao, Thailand	16	1.5 billion pcs	December 2010
Factory 22	Klang, Malaysia	16	1.5 billion pcs	March 2011
Factory 23	Ipoh, Malaysia	32	3.0 billion pcs	May 2011
Total		88	8.25 billion pcs	

With the Group achieving good profit growth for the 9 months ended FY 2010, it will continue to be optimistic of its future outlook despite ongoing challenges such as the increase in raw material cost and weakening of US dollar. With a large customer base spread over more than 180 countries worldwide and with a diversified range of good quality products, coupled with a team of dedicated employees, the Group is confident of continuous growth and good profitable performance in this financial year ended 31 August 2010.

**TAN SRI DATO SRI LIM, WEE-CHAI**  
CHAIRMAN

**LIM CHEONG GUAN**  
EXECUTIVE DIRECTOR

16<sup>th</sup> June 2010

### **NOTE**

For more information, please contact

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- iii) Visit our website at [www.topglove.com.my](http://www.topglove.com.my)

**THANK YOU**