



**Top Glove Corporation Bhd**

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## **PRESS RELEASE**

For Immediate Release

**STRONG REVENUE GROWTH AMID CHALLENGING ENVIRONMENT**

*Financial results for the third quarter ended 31 May 2013*

**Klang, Thursday, 13 June 2013** – Top Glove Corporation Bhd (“Top Glove”) today released the results for its third quarter ended 31 May 2013 (“3QFY2013”).

On a 9-month comparison, both revenue and net profit registered a growth of 3.4% and 7% to RM1,765.1 million and RM151.8 million respectively against 9MFY2012.

Meanwhile, year-on-year, 3QFY2013 revenue increased by 0.1% to RM604.1 million from RM603.3 million and net profit reduced 24% to RM41.5 million from RM54.8 million, versus 3QFY2012.

Notwithstanding the marginal revenue growth in 3QFY2013 from a year ago, there was a marked improvement of 17% in sales volume on the back of lower average selling price from the declining raw material price. Continued pick-up in demand, newly installed capacity, which facilitated an increase in nitrile glove sales and a more competitive pricing structure accounted for the higher sales volume achieved in the recent quarter. Sales for the nitrile gloves segment in particular, which now comprises 18% of total glove sales for The Group were especially encouraging. Recent outbreaks of infectious disease such as H7N9 and MERS, also served to heighten awareness on safety requirements and preventive measures in the healthcare industry.

Net profit for The Group decreased mainly due to the impact of foreign currency and the aforementioned competitive pricing. During the quarter, The Group contended with headwinds in the form of highly volatile exchange rates against foreign currencies. It also recognised unrealised forex losses amounting to RM10.9 million from the fair value on its US Dollar (USD) foreign exchange forward contracts and Australian Dollar

(AUD) fixed income investments. However, as at year-to-date, the Group still maintains an overall net gain position on AUD fixed income investments. The Group is currently expanding its nitrile glove capacity, which is expected to have a better profit contribution to the Group's performance going forward.

Raw material prices continued to trend down, on softer general commodity prices in the face of a challenging macro-economic environment. Latex prices declined by 20.5% (from an average of RM7.52/kg in 3QFY2012 to RM5.98/kg in 3QFY2013) while nitrile prices fell by 27.5% (from an average of RM5.30/kg in 3QFY2012 to RM3.84/kg in 3QFY2013).

The Board of Directors also declared a first single tier interim dividend of 7 sen (net) per ordinary share for the quarter, payable on 18 July 2013.

On the overall performance of The Group, its Chairman Tan Sri Lim Wee Chai commented, "Our volume growth is very encouraging. I am optimistic that our prospects going forward are promising, as we take action to strengthen the Group and enhance shareholder returns."

The Group continues to generate positive cash flows and maintain a strong balance sheet. Tan Sri Lim affirmed, "This will enable us to make the necessary investments and improvements to stay competitive".

Raw material costs are also expected to trend at current levels with a possibility of a further downward inclination in the second half of 2013, which will exert a positive impact on performance.

Moving forward, the Group will press ahead with expansion plans to increase the number of nitrile glove production lines. The Group currently has a total of 470 lines and this is expected to increase to 538 lines by April 2014, further boosting its production capacity from 41.1 billion to 47.9 billion pieces of gloves per annum.

Top Glove will continue to strengthen its leadership position within the rubber glove industry by focusing on enhancing its quality through research and development, innovation and automation. It will also continue to invest in human resource development as part of its talent retention program, a critical element in spearheading the Group to greater success.

Please refer to the appendix for additional information on Top Glove's performance. For more information on Top Glove Corporation Berhad, please visit [www.topglove.com.my](http://www.topglove.com.my).

### **About Top Glove Corporation Berhad**

Top Glove Corporation Berhad is listed on the Bursa Malaysia Stock Exchange Main Board and is one of the component stocks of the FTSE Bursa Malaysia ("FBM") Mid 70 Index, FBM Top 100 Index and FBM Emas Index.

Top Glove is currently the world's largest rubber glove manufacturer with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has more than 1,800 customers worldwide and exports to more than 185 countries.

### ***Summary of key information:***

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