



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

TOP GLOVE EARNINGS LIFTED BY TAILWINDS

Financial results for the first quarter ended November 30, 2011 (financial year ending August 31, 2012)

Klang, Friday, December 16, 2011 – Top Glove Corporation Bhd (Top Glove) today announced, its revenue for the first quarter ended November 30, 2011 (1QFY2012) rose 2.4% to RM554.84 million from RM541.84 million in the preceding quarter, while net profit increased 21.0% to RM32.46 million from RM26.82 million.

The improved performance in the current quarter was largely attributed to a decline in latex prices which fell by 9.3% from the preceding quarter (from RM9.19/kg in 4QFY2011 to RM8.34/kg in 1QFY2012), and a stronger average US Dollar against the Ringgit which improved by 4.0% (from RM3.00 in 4QFY2011 to RM3.12 in 1QFY2012).

Compared with the corresponding quarter of the previous financial year, Top Glove's revenue improved 12.9% from RM491.50 million a year ago. However, net profit declined 10.7% from RM36.3 million mainly due to the higher raw material prices and the oversupply situation in the industry.

Even though latex prices have declined considerably in this quarter, they were still higher than in the corresponding period last year. The average latex price rose by 16% (from RM7.19/kg in 1QFY2011 to RM8.34/kg in 1QFY2012). Meanwhile, the average nitrile price has also increased by 46.4% (from USD1.40/kg in 1QFY2011 to USD2.05/kg in 1QFY2012).

The current quarter's net profit was also impacted by the recognition of net loss in foreign exchange amounting to RM13.3 million compared with a net gain of RM4.7 million in the corresponding quarter last financial year.

Top Glove Group Chairman, Tan Sri Lim Wee Chai commented, "The retracement in latex prices and the stronger greenback is delivering a generous boost to the Group's earnings."

"With the improved performance, our cash flow continues to strengthen, allowing us to expand capacity and invest in efficiency improvement," he added. The Group's net cash position increased 24.9%, rising to RM317.55 million as at November 30, 2011.

In this quarter, with the completion of new facilities, the total Group capacity has expanded to around 37 billion pieces of gloves per annum.

Tan Sri Lim said that he foresees the downtrend in latex prices will likely be sustained given the uncertainty in the European debt crisis and the expectation of a slowdown in the global economy going into 2012.

"Nevertheless, we are still continuing with our strategy of achieving a more balanced product mix by increasing our production of nitrile gloves," said Tan Sri Lim. Please refer to attached file for additional information on Top Glove's performance. For more information on Top Glove Corporation Berhad, please visit www.topglove.com.my

About Top Glove Corporation Berhad

Top Glove Corporation Berhad was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board on 16 May 2002. The company 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 a good and established corporate culture and business direction of producing consistently high quality, cost efficient gloves. Top Glove has more than 1,000 customers worldwide and exports to more than 185 countries.

Summary of key information:

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