



TOP GLOVE CORPORATION BERHAD (474423-X)
TOP QUALITY, TOP EFFICIENT, GOOD HEALTH,
SAFETY FIRST & BE HONEST
www.topglove.com.my

Press Statement

Financial Results for the First Quarter ended November 30, 2010 (Q1FY2011)

PROFITABILITY INTACT AMID CHALLENGES

Klang, Dec 15, 2010 – Top Glove Corporation Bhd (Top Glove) today announced a sales revenue of RM491.5 million and profit after tax of RM36.1 million for the first quarter (1st September to 30 November 2010) of the financial year ending August 31, 2011.

The 3 months to 30 Nov 2010 has been a challenging quarter for the Group due to headwinds such as persistently high latex prices and the continued weakening of the US dollar coupled with the time lag in passing on the higher costs to its customers, which have affected the Group's profit margins. Average latex prices rose by 57% from RM4.58 per kg in 1Q2010 to RM7.20 per kg in 1Q2011 while the average US dollar weakened against the ringgit by 9.3% (RM3.43 in 1Q2010 versus RM3.11 in 1Q2011).

In addition, demand for rubber gloves, which has been normalizing coupled with the excess capacity situation, have also impacted the industry. At the same time, customers kept their inventory level at a minimum level due to high selling prices of latex gloves, which reflected the increasing cost of latex prices.

Top Glove will continue to share some of these higher costs with its customers, even though there will be a time lag for the higher cost to be passed down to them.

The Group is also dedicating more production lines to produce nitrile gloves, which command better margins and not subjected to the volatility in latex prices.

Nevertheless, this adverse situation will possibly lead to further consolidation among the industry players and Top Glove is in a good position to further enlarge its business when the opportunities arise.

Top Glove's balance sheet position was further strengthened with a net cash position of RM342.9 million.

"The first quarter just ended proved to be a challenging one for Top Glove. Although volatility in commodity prices, in particular, latex prices and the weakening US dollar will continue to impact the industry, we are optimistic that Top Glove will sustain its profitability," said Top Glove chairman Tan Sri Dato Sri Lim Wee Chai.

Tan Sri Lim added that the Group was committed to strengthening its leadership position within the rubber glove industry through continued focus on enhancing its quality through research and development, innovation, manufacturing process re-engineering, efficient cost reduction and running its business with honesty, integrity and transparency.

"We believe that although demand for gloves has slowed down as it started to normalize, this is only be in the short term as demand is expected to pick up over the longer term especially from the healthcare sector and emerging markets," Tan Sri Lim concluded.

Please refer to attached file for additional information on Top Glove's performance. For more information on Top Glove Corporation Berhad's, 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 May 16, 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 good and established corporate culture and business direction of consistently producing top quality gloves at efficient low cost. Top Glove has more than 900 customers worldwide and exports to more than 180 countries.

Summary of key information :

	As at 30th November 2010
Number of Factories	20 (14 in Malaysia, 4 in Thailand, 2 in China)
Number of Glove Production Lines	379
Glove Production Capacity	33.75 billion pcs per annum
Number of Employees	10,900
Estimated world demand	150 billion pcs of gloves for the year 2010

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15th December, 2010

SUMMARY OF CURRENT & HISTORICAL PERFORMANCE
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CURRENT

Results for the First Quarter ended November 30, 2010

- 1) Strong and healthy balance sheet
- 2) On-going expansion plans

HISTORICAL TREND

- 3) Consistent growth in revenue with compounded annual growth rate of 36%
- 4) Strong growth in net profit with compounded annual growth rate of 37%
- 5) Financial results of the Group since listing
- 6) Dividends

CURRENT:

Results for the 1st Quarter ended 30 November 2010 (1QFY2011)

1) Strong and healthy balance sheet :

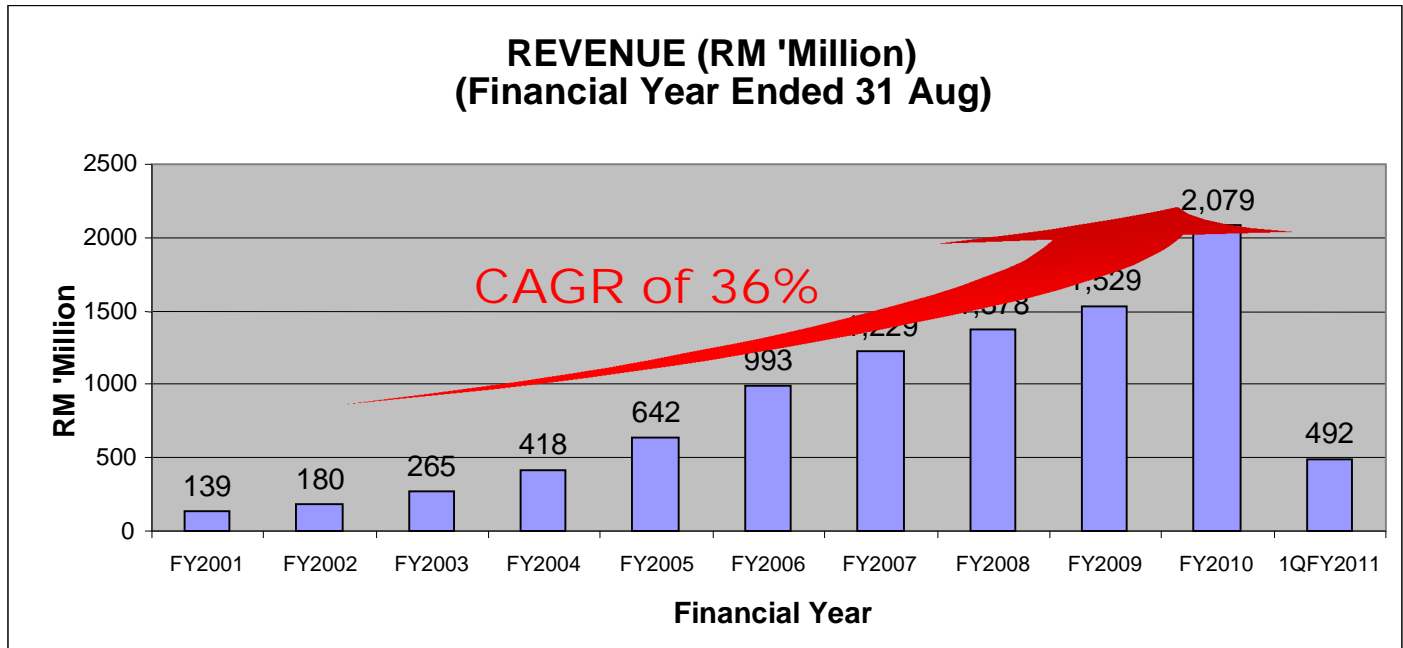
	As at 30 Nov 2010 (RM'million)	As at 30 Nov 2009 (RM'million)	Variance (%)
Total cash and short term investments	346.9	249.8	39
Total borrowings	4.0	15.5	(74)
Net cash	342.9	234.5	46
Net cash flow from operating activities	73.1	88.5	(17)
Shareholders equity	1,160.1	911.5	27
Net assets per share (RM)	1.9	1.5	27

2) On-going expansion plans :

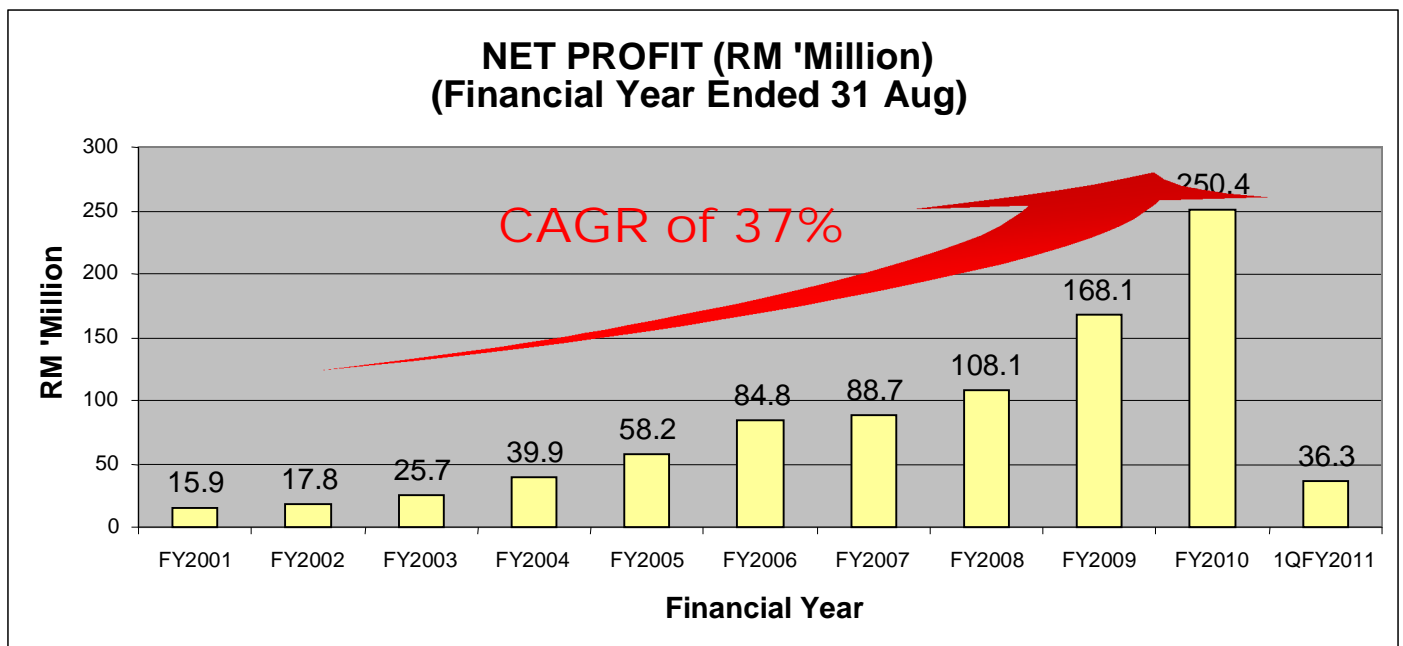
Factory	Location	No. of additional lines	Capacity p.a	Target completion
Factory 21	Klang, Malaysia	16	1.5 billion pcs	March 2011
Factory 7	Sadao, Thailand	16	1.5 billion pcs	April 2011
Factory 22	Klang, Malaysia	16	1.5 billion pcs	June 2011
Factory 23	Ipoh, Malaysia	32	3.0 billion pcs	August 2011
Total		80	7.5 billion pcs	

HISTORICAL TREND:

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



4) Strong growth in net profit with compounded annual growth rate of 37%



5) Financial results of the Group since listing :

RM 'mil	Financial year ended 31 August										1Q2011 3 mths ended 30 Nov 2010 (unaudited)
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Revenue	138.9	180.2	265.1	418.1	641.8	992.6	1,228.8	1,377.9	1,529.1	2,079.4	491.5
EBITDA	23.9	27.1	39.5	60.6	89.2	130.3	175.7	197.8	287.5	364.7	59.6
EBITDA margin	17.2%	15.0%	14.9%	14.5%	13.9%	13.1%	14.3%	14.4%	18.8%	17.5%	12.1%
PBT	17.2	20.2	29.3	45.2	65.7	91.8	118.6	134.6	222.0	305.0	44.4
PBT margin	12.4%	11.2%	11.1%	10.8%	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%	9.0%
Taxation	1.3	2.4	3.6	5.3	7.5	7.0	29.9	26.5	53.9	54.6	8.1
PAT	15.9	17.8	25.7	39.9	58.2	84.8	88.7	108.1	168.1	250.4	36.3
PAT margin	11.4%	9.9%	9.7%	9.5%	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	7.4%

6) Dividends

The Group target dividend payout ratio is 40% from net profit attributable to equity.

Financial Year	Net Dividend per share (sen)	Total Dividend (RM'000)	Status
2010	9.00 (final)	55,634	Proposed
	7.00 (1 st interim)	43,225	Paid
2009	11.00	65,872	Paid
2008	5.50	32,389	Paid
2007	4.61	27,435	Paid
2006	3.45	21,173	Paid
2005	2.19	14,110	Paid
2004	2.06	12,295	Paid
2003	1.53	9,550	Paid
2002	0.46	2,808	Paid
2001	0.66	4,000	Paid
Total		288,491	

Note : Net dividend per share has been adjusted to reflect :

- Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.
- Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007 and 100% in July 2010.

