



TOP GLOVE CORPORATION BERHAD (474423-X)
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PRESS RELEASE

TOP GLOVE'S PROFIT AND REVENUE SURGED IN FINANCIAL YEAR 2012

Financial results for the fourth quarter and the full year ended August 31, 2012

Kuala Lumpur, Thursday, October 11, 2012 –Top Glove Corporation Bhd (Top Glove) announced today its results for financial year ended August 31, 2012 (“FY2012”), which saw its net profit rise 80% to RM206.8 million from RM115.1 million in the last financial year, and revenue grew 13% to RM 2.31 billion compared to RM2.05 billion a year ago. Net margin improved to 8.9% for FY2012 from 5.6% for FY2011.

For the latest fourth quarter ended August 31, 2012 (“4QFY2012”), net profit increased by 143% to RM65.3 million from RM26.8 million in 4QFY2011, with a corresponding improvement in net margin to 10.7% from 4.9%. Revenue increased by 12% to RM607.2 million, compared with RM541.8 million in 4QFY2011.

Top Glove also announced that the Board of Directors has proposed a final single tier dividend of 9 sen per share, subject to shareholders’ approval at the forthcoming Annual General Meeting. On a full year dividend basis, the 16 sen per share represents an increase of 45% from last year’s dividend of 11 sen and a total dividend payout ratio of approximately 50%.

Despite utilising cash to finance its capital expenditure of RM141 million and dividend payment, Top Glove still maintains a strong net cash position of RM308 million.

The double-digit percentage increase in its revenue was attributed to an increase in demand for natural rubber and nitrile gloves from all the regions, and the positive results of its expansion and upgrading exercise to increase its production capacity and quality.

The higher sales volume, competitive pricing, increased efficiency coupled with the favourable latex prices and foreign exchange trends further enhanced the Group's earnings and profit margins.

Latex price fell to its lowest in almost three years by as much as 15% (from average RM8.90/kg in FY2011 to RM7.56/kg in FY2012), while the US dollar against the Ringgit appreciated by 2% (from average RM3.05 in FY2011 to RM3.11 in FY2012).

Latex prices is likely to remain in the region of RM6.00 to RM7.00 per kg as tyre makers, the world's largest consumers of natural rubber continue its downtrend as tyre demand from China remains lukewarm and the European economy recovery continues to be uncertain.

The Group recently embarked on a RM3 billion commitment investment plan to be executed over the next 15 years to further expand its production capacity with advanced and high technology production facilities as well as invest in R&D and upstream activities. The RM3 billion investment plan has been granted as an entry point project (EPP) status by the Performance Management and Delivery Unit (PEMANDU) under the government's Economic Transformation Programme.

Top Glove's Group Chairman, Tan Sri Lim Wee Chai explained that the investment plan will be mainly internally funded.

"The investment plan demonstrates our long term commitment to gain a bigger global market share of 30% by 2015, meet the global demand for rubber gloves and securing 50% of our latex supply requirements internally," added Tan Sri Lim.

The Group has also started many projects to automate and computerise its production and packing operations in its existing and new factories to reduce labour intensive manpower needs as well as increase productivity.

Tan Sri Lim Wee Chai commented, “The effects of the minimum wage policy to be enforced next year are expected to be manageable as the upgrading and automation exercise that includes installations of robotic arm, auto stacking machine and packing machine is right on track and targeted to be completed by early 2013.”

Tan Sri Lim informed that the Group has completed its rubber plantation acquisition of 95% equity of PT Agro Pramata Sejahtera in Indonesia and will begin the process of land preparation and planting. The objective of this investment is to provide consistent latex supply and also mitigate the price volatility on the group’s financial performance.

With a current production capacity of 40 billion pieces of gloves per annum, Top Glove will continue its ongoing production capacity expansion plan with additional new production lines; and by August 2013, the total Group’s capacity will increase to 44.8 billion pieces of gloves and 498 production lines.

	No. of production lines	Capacity p.a.	Target completion
Current: 21 glove factories	446 lines	40.0 bil pcs p.a.	
Expansion plan :			
F18 (Banting, Malaysia) <i>Phase 2</i>	16 lines	1.5 bil pcs p.a.	April 2013
F25 (Klang, Malaysia) <i>New factory</i>	20 lines	1.8 bil pcs p.a.	June 2013
F23 (Ipoh, Malaysia) <i>Phase 2</i>	16 lines	1.5 bil pcs p.a.	August 2013
Total expansion by August 2013	52 lines	4.8 bil pcs p.a.	
Total by August 2013 : 22 glove factories	498 lines	44.8 bil pcs p.a.	

On the future outlook, Tan Sri Lim is confident that the global demand for medical gloves will remain strong and resilient as rubber gloves are deemed as basic necessities in the healthcare industry. “Top Glove has placed equal investment weight on emerging markets to capture the demand growth in China, India and Latin America as the improvement in healthcare awareness and standards in these countries will eventually increase demand for medical gloves.”

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 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 1,000 customers worldwide and exports to more than 185 countries.

Summary of key information:

	As at 11 October 2012
Number of Factories	23 (17 in Malaysia, 4 in Thailand, 2 in China)
Number of Glove Production Lines	446
Glove Production Capacity	40 billion pcs per annum
Number of Employees	11,000
Estimated world demand	160 billion pcs of gloves for the year 2012

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