



PRESS RELEASE KENYATAAN AKHBAR o 企业新闻 (First Quarter 2008 financial result)	Klang, May 28, 2008
	Note to Editors: This press release is issued by Mr. Lim Kuang Sia, Group Managing Director/CEO of Kossan Rubber Industries Bhd EMBARGOED UNTIL 5.00 P.M.
“FIRST 3 MONTHS PRE-TAX PROFIT STOOD AT RM17.603 MILLION AGAINST RM199.942 MILLION REVENUE, INCREASED BY 23.1% COMPARED TO 1Q 2007”	

Kossan Rubber, World’s leading powder-free premium medical glove manufacturer is pleased to announce the unaudited results for the first quarter ended 31 March 2008 and provide a review of recent notable events and achievements.

Summary of 1st Quarter FY2008 Financial Result (Unaudited)

(RM' million)	+ / (-)			+ / (-)	
	1Q2008	1Q2007	(%)	4Q2007	(%)
Revenue	199.942	162.485	23.1	186.340	7.3
Operating Profit	19.889	15.994	24.4	20.065	(0.9)
Profit Before Taxation	17.603	14.099	24.9	15.679	12.3
Profit After Tax	14.023	11.639	20.5	24.658*	-
EPS (sen)	8.77	7.28	20.5	15.42*	-
Shareholders' Funds	265.824	202.891	31.0	-	-
NTA (sen)	1.65	1.26	31.0	-	-
Net Gearing (%)	56	62	-	-	-

*adjusted in audited account due to adoption of FRS 112.

Result Commentary

For the first 3 months ended 31 March 2008, the Group recorded a profit before taxation of RM17.603 million against the revenue of RM199.942 million, 24.9% increase compared to its preceding year corresponding period. The higher profit was attributed to the 23.1% growth in revenue compared to 1st quarter of year 2007, riding on the expanded production capacity in February this year.



Compared to final quarter of 2007, the revenue of current quarter is 7.3% higher and this is attributed to higher unit sales in glove. In general, the overall performance of current quarter is robust despite the highly competitive market amidst all time high in raw materials and crude oil prices coupled with the appreciation of the Ringgit Malaysia. Similar to its previous quarters, the Group is running at almost full capacity during the quarter with all time high utilization rate.

Better product-mix : 49% comprising Natural Rubber Powder Free, 23% in Nitrile (compared to 10.6% in first quarter of year 2007 in nitrile segment)

In the current quarter, total gloves produced and sold hits approximately 2.239 billion pieces or 94% to our effective installed capacity of 2.5 billion pieces per quarter (annualized of 10.0 billion pieces of gloves for 2008) and compared with 1.706 billion pieces of glove sold in first quarter of 2007, we have 32% growth in total unit sales. For the 2.239 billion pieces of glove produced and sold, premium powder free and nitrile category accounted for approximately 72% (49.1% comprising powder free and 22.7% from nitrile) of our overall product mix and the remaining of 28% are in powdered medical category.

Ongoing Expansion Program : aiming to boost capacity in Nitrile gloves

Since December 2007, the Group is operating with a total of 102 advance production lines which is able to produce approximately 10.0 billion pieces of glove per annum. Riding on the increasing demand in nitrile gloves, the Group is adding another 11 double-former production lines with extra capacity of 2.2 to 2.3 billion pieces of nitrile gloves; and is expected to complete by November this year. These lines will be installed on the newly acquired industrial land measuring 4.05 hectares. By end of 2008, our capacity in nitrile segment will increase to some 4.0 billion pieces and constituting 33% of our total glove capacity of 12.0 billion pieces.

Going forward, more capacity will be allocated to produce nitrile gloves and expansion program in the pipeline will too, be emphasized on this nitrile segment.

Proposed a 8 sen first and final dividend for Financial Year 2007

The Group has proposed a 4 sen taxable and 4 sen tax exempt first and final dividend for the financial year of 2007 and this will subject to the approval of shareholders in the forthcoming 28th AGM on 19 June 2008.



KOSSAN RUBBER INDUSTRIES BHD (48166-W)
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Group Prospects

The outlook of the industry remains excellent and the Group will continue to expand, both for the premium medical gloves and technical rubber products. With the Group's strong track record in manufacturing quality products and its leading role in the medical application gloves market, we are well-positioned to tap on more market share and confident to deliver a better operating results in the forthcoming quarters.

Lim Kuang Sia
Group Managing Director/CEO
May 28, 2008

For more information, please contact: Edward Yip of Group Corporate Affairs, Kossan Rubber Industries Berhad at 03-3290 2580 or email: edwardyip@kossan.com.my or Visit our Website : www.kossan.com.my