

OSIM International Ltd News Release: Embargoed until 22 February 2007, 5.15pm
Results Announcement: Full Year Ended 31 December 2006 (these figures have not been audited)

**FY2006 Group Revenue +24% to \$623m
Group EBITDA +41% to \$77m**

Foundation Laid for Future Growth

(S\$ million)	2006	2005	% change
Revenue	622.9	502.5	+24%
EBITDA	76.7	54.5	+41%
Associates & joint venture	(11.2)	11.3	
Profit before tax	43.6	51.4	(15%)
Tax	(7.8)	(5.8)	
Minority interests	(2.0)	1.1	
Net profit	33.8	46.7	(28%)
Net margin	5.4%	9.3%	
Earnings per share *	6.2 cents	8.6 cents	
Excluding OSIM Brookstone Cumulative Dividend / Interest Expense			
Net profit	47.5	50.1	(5%)
Net margin	7.6%	10.0%	
Earnings per share *	8.8 cents	9.3 cents	

* based on 542m shares

- **Foundation Laid for Future Growth of OSIM Core Business:**
Record Revenue of \$623 million, EBITDA +41% to \$77 million
- **Brookstone is Profitable:**
Under US GAAP, Record Revenue of US\$512 million & Net Earnings of US\$2 million
- **Major Turnaround at Global Active:**
FY2006 Earnings of \$4.5 million vs Loss of \$4 million in FY2005
- **Broad-based Revenue Growth:**
South Asia +36%, Rest of World +26% and North Asia +17%
- **Leadership at Brookstone Delivers 3 Successive Quarters of Same Store Sales Growth:**
Annual same store sales growth +1.8% vs -8% in 2005
- **Final Dividend 1.48 cents per share:**
Total Dividend Payout of \$15 million for FY2006 +115%
- **Quarterly Volatility to be Expected as Group Continues to Build Global Operations**

Singapore, 22 February 2007 – Singapore Exchange mainboard-listed OSIM International Ltd (“OSIM” or “Group”), a global leader in healthy lifestyle products today announced its fourth quarter and full year FY2006 results for the respective periods ended 31 December 2006.

In FY2006, group revenue rose 24% to \$623 million. The Group benefited from higher consumer demand for its full range of massage chairs and innovative healthy lifestyle products. Group EBITDA rose 41% to \$77 million.

A final dividend of 1.48 cents per share was declared which amounted to \$8 million. The total dividend payout of \$15 million for FY2006 represents an increase of 115% over the previous year.

In 3Q FY2006, inferior quality and unsubstantiated product claims by imitators caused adverse media publicity and negative market sentiment. This spilled over into 4Q FY2006 and resulted in a decline in revenue for North Asia. Although South Asia and America/Africa/Europe/Middle East/Oceania registered steady growth in revenue during the quarter, 4Q FY2006 Group revenue dipped 1.4% to \$145.6 million. We believe that this market disruption will further differentiate the OSIM brand over the longer term in terms of innovation and quality.

Mr. Ron Sim, the Founder and Chief Executive Officer of OSIM said, “We are building a global brand with operations currently in 362 cities over 28 countries. In doing this, OSIM focuses on executing a medium term growth strategy and our financial results will experience volatility from quarter to quarter. A better indication of our performance would be the full year financial results”.

“On a full year basis, we achieved record revenue of \$623 million and EBITDA rose a healthy 41% to \$77 million.” Mr Sim added.

Revenue by Region – Full Year

Region	2006		2005		% Change
	S\$m	%	S\$m	%	
North Asia	341.9	55%	291.0	58%	+17%
South Asia	203.5	33%	150.2	30%	+36%
America/Africa/Europe/ Middle East/Oceania	77.5	12%	61.3	12%	+26%
Total	622.9	100%	502.5	100%	+24%

For FY 2006, revenue growth was broad-based across all regions. China, Taiwan and Malaysia all registered strong growth. There was also increased sales to International Franchisees and Brookstone.

The Group equity accounts the results of its Joint Venture OSIM Brookstone LP. In FY2006, Brookstone's revenue was a record US\$512 million and net profit was US\$2 million. The company posted its third successive positive same store growth in 4Q FY2006. It achieved an annual 1.8% positive same store growth, a significant improvement over the negative 8% recorded in 2005.

More importantly, Brookstone is profitable and cash positive in FY2006. It paid US\$22 million of bond interest expenses during the year. Notwithstanding Brookstone's profitability under US accounting rules, when OSIM equity accounts its share of Brookstone's results under SFRS (Singapore Financial Reporting Standards), the rules are different from US GAAP and it has to recognise payment ("OBH cumulative dividend") to preference shareholders as a financial interest expense, thereby resulting in a share of loss in joint venture of \$12.6 million.

After accounting for Associates & Joint Venture using this methodology, Group net profit after tax declined 28% to \$33.8 million in FY2006.

Excluding OBH cumulative dividend, Group net profit after tax would have been \$47.5 million in FY2006 or a decrease of 5% vs 2005.

Global Network of Outlets

Region	31 Dec 2006	31 Dec 2005
North Asia	329	312
South Asia	323	231
America/Africa/Europe/ Middle East/Oceania	34	45
Total OSIM Outlets	686	588
GNC Outlets	139	144
Brookstone Outlets	310	304
Total	1,135	1,036

In FY2006, the Group had a net increase of 99 new OSIM outlets whilst at the same time continuing the ongoing consolidation of individual Focus outlets into larger and more efficient OSIM Focus outlets to achieve higher same store sales. Inclusive of the GNC and Brookstone outlets, the Group has direct control over 1,135 outlets globally as at end December 2006. This scale is a key strength of OSIM in maximising returns from the sale of innovative healthy lifestyle products to customers on a global scale.

Current Year Prospects

On current year prospects, Mr Sim added, “We can expect market conditions to remain competitive but we are optimistic of the Group’s performance in 2007. As we execute our profit growth plan in FY2007, we expect the short term under performance in North Asia to progressively correct itself during the course of the year. At Brookstone, we will continue to build on our growth momentum”.

In FY2007, the Group will focus on executing the following profit growth plan:

1. The Group will continue to improve the quarterly performance of Brookstone by increasing store profitability through higher store productivity and enhanced selling culture.
2. In addition to the launch of major products like Designer Massage Chair uPilot and Power Drum Massager uPapa in Asia in 1Q FY2007, the Group will consistently launch more innovative OSIM products every quarter.

3. The Group will capitalise on the GNC brand name and a comprehensive product range to expand GNC's retailing network in Australia and Malaysia. It will also continue to develop China.
4. On an annual basis, the Group targets to achieve a net increase of more than 100 OSIM, GNC and Brookstone outlets around the world.
5. OSIM is currently in 28 countries and targets to add at least another five countries this year to its International Franchise. Countries under consideration in FY2007 include Qatar, Iran, Turkey, Russia and a few countries in Europe.

The Group will continue to develop its long term plan to establish a global healthy lifestyle specialty retailing business. As with any longer term endeavour, some short term volatility in performance from quarter to quarter should be expected.

Barring unforeseen circumstances, the Group expects profit after tax in FY2007 to be higher than FY2006.

About OSIM International Ltd (Reg No : 198304191N)

SGX mainboard-listed OSIM is a global leader in branded healthy lifestyle products. Established in 1980, OSIM is a brand management and niche marketing company with a focus on the consumer.

The Group is innovation-driven and is an IP (intellectual property) developer. OSIM uses innovative selling approaches and constantly enhances its innovation capabilities to produce successful products with superior designs, features and quality. As an IP developer, OSIM controls its brands, designs, technologies and concepts.

Its business currently comes under four complementary focuses - Health, Hygiene, Nutrition and Fitness. Each focus carries the fundamental theme of well-being, lifestyle and positive attitude. Together, they reflect OSIM's holistic and integrated approach to healthy lifestyle.

Today, OSIM operates a wide point-of-sales network with 1,135 outlets in 362 cities in 28 countries in Asia, Australia, Africa, the Middle East, United Kingdom and North America.

OSIM Global Network:

Singapore • China • Hong Kong • Malaysia • Taiwan • Australia • Bahrain • Brunei • Cambodia • Canada • India • Indonesia • Ireland • Italy • Kuwait • Macau • Myanmar • Pakistan • Philippines • Saudi Arabia • South Africa • South Korea • Spain • Thailand • UAE • UK • USA • Vietnam

For more information, visit our website www.osim.com or contact:

<p>imPRESSions Public Relations Pte Ltd Tel: 6354-0225 / Fax: 6354-3886 Email: osim@impressions-pr.com Ms. Corinne Tan</p>	<p>Cyrus Capital Consulting Tel: 6254-6973 / Fax: 6254-6811 Email: teongsang@cyrus.com.sg Mr. Lee Teong Sang</p>
--	---