

OSIM International Ltd News Release: Embargoed until 20 February 2008, 5.15pm

Results Announcement: Full Year Ended 31 December 2007 (these figures have not been audited)

Pioneer of a Growing Industry Building a Global Brand

OSIM: Sharpening Strategic & Competitive Edge
Brookstone: 7 Consecutive Quarters of Positive Same Store Growth
Global Active: Healthy Growth Continues

(S\$ million)	FY 2007	FY 2006
Revenue	523.7	622.9
EBITDA	35.4	76.7
Associates & joint venture	(5.5)	(11.2)
Profit before tax	5.4	43.6
Tax	(1.8)	(7.8)
Minority interests	(0.5)	(2.0)
Net profit	3.1	33.8
Earnings per share *	0.6 cents	6.2 cents
Excluding OSIM Brookstone Cumulative Dividend / Interest Expense		
Net profit	17.4	47.5
Net margin	3.3%	7.6%
Earnings per share *	3.2 cents	8.8 cents

* based on 542m shares

- Positioning OSIM Core Business for Future Growth:**
 Revenue of \$523.7 million, EBITDA of \$35.4 million
 Excluding Impairment Charge of S\$4.5 million, EBITDA was S\$39.9 million
- Brookstone is Profitable:**
 Under US GAAP, Record Revenue of US\$562.8 million & Net Earnings of US\$6.4 million
- Healthy Growth at Global Active:**
 Delivered Good Growth in 2007
- Brookstone Delivers 7 Successive Quarters of Same Store Sales Growth:**
 Annual same store sales growth +5.0% compared with +1.8% in 2006
- Barring Unforeseen Circumstances, Profit after tax in FY2008 Expected to be Higher than FY2007**

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 FY2007 results for the respective periods ended 31 December 2007.

In FY2007, Group revenue was \$523.7 million while Group EBITDA was \$35.4 million. There was a one-off non-cash impairment of S\$4.5 million in 2007. Excluding this, EBITDA was S\$39.9 million for FY2007. There continued to be consumer demand for its full range of massage chairs and innovative healthy lifestyle products.

FY2007 was a transitional year for OSIM’s core business. Following many years of growth, we revamped the structure & systems and sharpened the strategy of the Group. The Group starts the year confident that these changes will help us to better respond to market challenges and deliver improved results in 2008.

Brookstone achieved a record year and completed seven successive quarters of same store growth. Moreover, it is profitable and growing. Despite the concerns over the effects of sub-prime, we saw improved sales in 4Q FY2007 which gives us a good level of confidence moving into 2008.

Global Active continued its healthy growth in 2007 and its vitamins and supplements business is expected to grow in a steady and sustainable manner this year.

“Restructuring in 2007 is substantially completed and is expected to deliver improvements in the business this year as we continue to sharpen our strategic & competitive edge.” Mr. Ron Sim, the Founder and Chief Executive Officer of OSIM said, “OSIM is the Pioneer of a Growing Industry. Our strategy is to expand to more cities, more countries and our goal is to expand to 3,000 outlets by year 2013. We are in the process of Building a Global Brand.”

“We are pleased that both of our acquisitions are shaping up well. Brookstone is profitable and growing and it was another healthy year at Global Active. Our mission is to bring a healthy lifestyle to our customers and today we are serving our customers over a worldwide network of more than 1,100 outlets in 31 countries.” Mr Sim added.

Brookstone Profitable and Growing

The Group equity accounts the results of OSIM Brookstone Inc. In FY2007, Brookstone’s revenue was a record US\$562.8 million and net profit was US\$6.4 million. The company posted its seventh successive positive same store growth in 4Q FY2007. It achieved an annual 5.0% positive same store growth, an improvement over the 1.8% recorded in 2006.

Moreover, Brookstone was profitable and cash flow positive in FY2007. It paid US\$24.1m of bond interest expense 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 to preference shareholders (“OBH cumulative dividend”) as a financial interest expense, thereby resulting in a share of loss in joint venture & associates of \$5.5 million (compared with a share of loss of \$11.2 million in 2006).

After accounting for Associates & Joint Ventures using this methodology, Group net profit after tax was \$3.1 million in FY2007 (or \$17.4 million excluding OBH cumulative dividend).

Revenue by Region – Full Year

Region	2007		2006	
	S\$m	%	S\$m	%
North Asia	251.8	48%	341.9	55%
South Asia	180.3	35%	203.5	33%
America/Africa/Europe/ Middle East/Oceania	91.6	17%	77.5	12%
Total	523.7	100%	622.9	100%

For FY2007, revenue was lower in both North & South Asia as we revamped the structure & systems of the business. Our fundamentals remain strong and we expect both these regions to register growth this year. Sales to the rest of the world rose mainly due to increased sales to America and franchisees.

Global Network of Outlets

Region	31 Dec 2007	31 Dec 2006
North Asia	322	329
South Asia	291	323
America/Africa/Europe/ Middle East/Oceania	36	34
Total OSIM Outlets	649	686
Global Active Outlets	133	139
Brookstone Outlets	322	310
Total	1,104	1,135

In FY2007, the Group had an increase in Brookstone outlets and a net decrease in OSIM outlets and Global Active outlets. The expansion of Brookstone outlets is in line with our plan. For OSIM, the reduction was mainly because of rationalisation of outlets with increased focus to achieve better profitability. For Global Active, it was due to the sale of its US military bases outlets in Korea & Japan as it focused on the development of its key countries.

The Group has direct control over 1,104 outlets globally as at end December 2007. This scale continues to be a key strength of OSIM in maximising returns from the sale of innovative healthy lifestyle products to customers on a global scale. Our goal for year 2013 remains as 3,000 outlets.

Current Year Prospects

The performance in FY2008 is expected to improve as the Group executes the following profit growth plan:

1. To launch more innovative OSIM products every quarter, including the introduction of major products like the World's First Well-Being Chair uSpace, Massage & Exercise Chair uYoYo and Cardio-Twist Trimmer uRobic in Asia in 1H FY2008.
2. To improve the quarterly performance of Brookstone by increasing store profitability through higher store productivity, enhanced selling culture and better products.
3. To capitalise on a comprehensive product range by expanding Global Active's retailing network in Australia and Malaysia. It will also continue to develop its China network.
4. To add at least another five countries this year to its International Franchise (OSIM is currently in 31 countries). Targets include several countries in Europe & South America.

"Notwithstanding challenging global market conditions, we are optimistic of the Group's performance in 2008. The Group will continue to develop its long term plan to establish a global healthy lifestyle 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 FY2008 to be higher than FY2007." Mr Sim commented.

About OSIM International Ltd

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 more than 1,100 outlets in more than 360 cities across 31 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 • Iran • Italy • Kuwait • Macau • Myanmar • New Zealand • Oman • Pakistan • Philippines • Portugal • Saudi Arabia • South Africa • South Korea • Spain • Thailand • UAE • UK • USA • Vietnam

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