

**OSIM International Ltd News Release:** Embargoed until 24 April 2006, 12.45pm  
**Results Announcement:** First Quarter Ended 31 March 2006 (these figures have not been audited)

## Expanding the Global Platform

Broad-based Growth in OSIM Core Business  
 Taking Brookstone to the Next Level

Record Group Revenue of \$155.2m, +79%  
 EBITDA of \$24.8m. +130%  
 Earnings from Core Business of \$14.4m, +100%

(S\$ million)	March 2006	March 2005	% change
Revenue	155.2	86.8	+79%
EBITDA	24.8	10.8	+130%
Share of (loss)/profit of associates & joint venture	(23.6)	1.1	
(Loss)/Profit before tax	(5.7)	9.4	
Tax	6.5	(1.3)	
Net profit	0.5	8.1	(94%)
Net asset value / share*	33 cents	30 cents	+10%

\* based on 449m shares

- Strong Performance from OSIM Core Operations:  
Earnings from Core Business increased by 100% to \$14.4m
- Broad-based Revenue Growth to \$155.2m, **+79%**:  
South Asia **+88%**, North Asia **+62%** and Rest of World **+282%**
- New Innovative Products Driving Operating Margins:  
Group EBITDA rose **+130%** to \$24.8m
- Strong Positive Operating Cash Flow:  
Net Cash from Operating Activities **\$30.1m**
- Taking Brookstone to the Next Level:  
Experienced CEO to Drive Store Productivity
- Brookstone has a lot more Earnings Potential:  
Immediate Focus on Improving Quarterly Performance
- Barring Unforeseen Circumstances:  
Higher Group Revenue & Net Profit for FY2006

**Singapore, 24 April 2006** – Singapore Exchange Mainboard-listed OSIM International Ltd (“OSIM” or “Group”), a global leader in healthy lifestyle products today announced its first quarter FY2006 results for the three months ended 31 March 2006.

Group revenue rose 79% to a record \$155.2 million. Excluding the revenue of Global Active Limited (“GAL”), OSIM’s operations grew 47% in 1Q FY2006 on the back of strong consumer demand for OSIM’s full range of massage chairs, existing healthy lifestyle products as well as new products introduced in recent quarters.

Group EBITDA rose 130% to \$24.8 million, driven by new innovative products. The resulting improved operating margins contributed to strong positive operating cash flow of \$30.1m against \$0.8m in FY2005.

Since its acquisition in October 2005, the Group has been equity accounting its share of the results of Brookstone Inc. (“Brookstone”). Brookstone typically incurs losses in the first three quarters of the year but makes a sufficiently large profit in the fourth quarter to result in full year profitability.

In 1Q FY2006, a combination of finance costs in the acquisition and lower revenue from Brookstone resulted in a net loss from associates and joint venture of \$13.9 million (net of tax credit).

Net earnings for the quarter was \$0.5 million. However, excluding its share of net loss from associates and joint venture, the Group’s net earnings increased by 100% to \$14.4 million.

Mr Ron Sim, Founder and Chief Executive Officer of OSIM said, "We are delighted with the strong operating performance of the OSIM core operations in the first quarter. Our focus on product innovation continues to drive operating performance and there is a strong pipeline of products in the coming quarters. I would like also to take the opportunity to thank our people for their effort and commitment which resulted in the record first quarter revenue."

"As for Brookstone, we believe it has a lot more earnings potential. The appointment of Lou Mancini as CEO brings management strength and a new perspective on retail store management. He will provide the company with strong leadership as we work as a team to realise the full value of the Brookstone brand. We believe that we already have the infrastructure and product culture necessary to take it to the next level." Mr Sim added.

### Revenue by Region

Region	Mar-06		Mar-05		% Change
	S\$m	%	S\$m	%	
North Asia	93.3	60	57.4	66	+62%
South Asia	48.9	32	26.0	30	+88%
America/Africa/Europe /Middle East/Oceania	13.0	8	3.4	4	+282%
Total	155.2	100	86.6	100	+79%

In 1Q FY2006, revenue growth for the Group was broad-based across all key regions. Consumer demand remained strong for OSIM's full range of healthy lifestyle products. The consolidation of GAL in 1Q FY2006 boosted the revenue growth of South Asia and Oceania in particular, as well as added to the Group's global diversification of revenues.

## Global Network of OSIM Outlets

Region	31 March 2006	31 March 2005
North Asia	306	309
South Asia	260	213
America/Africa/Europe/Middle East/Oceania	42	38
Total OSIM Outlets	608	560
GNC Outlets	139	-
Brookstone Outlets	303	-
Total	1,050	560

For the first quarter, the number of new OSIM outlets registered a net increase of 48 over the corresponding period last year. This enlarges the OSIM point-of-sales network to 608 outlets in 26 countries as at 31 March 2006. During the quarter, the Group continued with efforts to renew and remodel its outlets selectively throughout the network by combining several business focuses into larger OSIM Focus outlets for greater efficiency.

At the Group level, the addition of GAL and Brookstone outlets has expanded the Group's point-of-sales network to 1,050 outlets as at 31 March 2006. The enlarged network will enable the Group to maximise its returns from introducing new innovative healthy lifestyle products to more customers on a global scale.

## Current Year Prospects

The Group remains optimistic of business conditions for the rest of FY2006. The OSIM core business is strong and together with Brookstone and GAL, the Group is now focused on managing the various businesses to achieve higher productivity and revenues.

The OSIM core operations will continue to grow by focusing on its key strengths: an enlarged owned and franchised global point-of-sales network, an expanded and growing range of innovative healthy lifestyle products and a strong OSIM brand.

At GAL, a solid foundation for growth has been established for FY2006 and beyond. Steady improvement in its performance in Australia and Malaysia can be expected. The Group remains confident of prospects for the nutraceutical business in Asia and franchisor GNC has been supportive.

The Group continues to believe that Brookstone has a lot more earnings potential. Brookstone is a well-known leading nationwide innovative product development and specialty lifestyle retailer with 303 well-located outlets across the USA, the District of Columbia and Puerto Rico. To unlock this potential, the Group has taken and will continue to take action that focuses on improving store productivity.

Mr Sim elaborated, "Lou Mancini is a seasoned CEO with over 25 years of experience in managing specialty retailing companies. The acquisition of Brookstone was undertaken with the confidence that the selling process at Brookstone can be improved, particularly in the retail channel. That confidence has not changed."

"OSIM has the necessary products and product development expertise to complement Brookstone. In fact, 3 out of the current top 10 of Brookstone's best-selling products are OSIM products. In the near term, the Group will be subject to its earnings volatility from quarter to quarter but on an annual basis, we expect a better year. The Group will continue to work closely with Brookstone's management team to take the required action to increase sales at the store level, with the goal of quarterly profitability." Mr Sim added.

Barring unforeseen circumstances, the Group continues to expect revenue and net profit for FY2006 to exceed those achieved in FY2005.

There is no material variance from the previous prospects statement.

## **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 more than 1,000 outlets in more than 150 cities over 26 countries in Asia, Australia, Africa, the Middle East, United Kingdom and North America.

OSIM Global Network:

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

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