

OSIM International Ltd News Release: Embargoed until 25 July 2008, 5.15pm
Results Announcement: Second Quarter Ended 30 June 2008 (these figures have not been audited)

Pioneer of a Growing Industry Building a Global Brand

OSIM is Asia No.1 Healthy Lifestyle Product Brand*

Asia's Most Preferred Brand for Massage Chairs*

We Create Demand through Our Innovative Products

(S\$ million)	2Q FY 2008	1Q FY 2008
Revenue	115.9	115.6
EBITDA	10.6	7.6
Operating profit	6.2	2.5
Associates & joint venture	(9.5)	(12.7)
Loss before tax	(3.3)	(10.2)
Tax	(2.4)	(3.2)
Minority interests	(0.3)	0.2
Net loss	(6.0)	(13.2)
Earnings per share **	(1.1) cents	(2.4) cents

** based on 542m shares

- **OSIM Core Business : 2Q Better than 1Q**
EBITDA of \$10.6 million +39% & Operating Profit of \$6.2 million +153%
- **Healthy Growth at Global Active**
Our GNC Shops Delivered Good Results in 2Q 2008
- **Brookstone : Closest Competitor Exits Business**
Creates Opportunity to Build on Market Leadership
- **2Q Positive Operating Cash Flow of \$10.7 million +30%**
More Effective Sales per Store & Sales per Man
- **Barring Unforeseen Circumstances, 2H Profit after tax in FY2008 Expected to be Better than 1H FY2008**

* validated by leading international research firm Synovate

Singapore, 25 July 2008 – Singapore Exchange mainboard-listed OSIM International Ltd (“OSIM” or “Group”), a global leader in healthy lifestyle products today announced its second quarter FY2008 results for the period ended 30 June 2008.

In 2Q FY2008, Group revenue was \$115.9 million while Group EBITDA increased by 39% to \$10.6 million. There was continued consumer demand for its full range of massage chairs and innovative healthy lifestyle products like uPilot, uYoYo, uSqueez, uRobic, uCrown and uScale. The changes made in 2007 in structure & systems have sharpened the strategic and competitive edge of the Group and have begun to deliver improved results.

Global Active continued its healthy growth in 2Q FY2008 and its GNC vitamins and supplements business is expected to grow in a steady and sustainable manner this year.

During the quarter, Brookstone’s closest competitor exited the business. This has created a window of opportunity for Brookstone to build on its market leadership in innovative and entertaining lifestyle products in the US market.

“OSIM is Asia No 1 healthy lifestyle company and Asia’s Most Preferred Brand for Massage Chair.” Mr. Ron Sim, the Founder and Chief Executive Officer of OSIM said, “We create demand through our innovative products and our network of about 1,100 outlets worldwide.”

“We should however be mindful while there are significant opportunities to build our OSIM, Global Active and Brookstone brands, the effects of US sub-prime and high fuel & food prices will mean that we have to sharpen our strategic and competitive edge to come out on top of the game.” Mr Sim added.

Positive Operating Cash Flow

Operating cash flow before working capital changes in 2Q FY2008 was \$10.7 million, an improvement of 30% over 1Q FY2008. During 1H FY2008, we repaid \$10 million of syndicated bank loan as we continued to improve on our gearing.

Profitability

In 2Q FY2008, revenue was \$115.9 million while EBITDA rose by 39% to \$10.6 million. Operating profit was \$6.2 million compared with a profit of \$2.5 million in 1Q FY2008. This improvement was primarily because of better focus on profitability and cost management. There have been more effective sales per store and sales per man.

Global Active continued to turn in greater profits on broad-based growth in its key countries.

The Group equity accounts the results of OSIM Brookstone Inc. In 1H FY2008, Brookstone's revenue increased by 2% to US\$187.2 million. In 2Q FY2008, the share of losses from associated companies and joint venture amounted to \$9.5 million compared with share of losses of \$12.7 million in the 1Q FY2008.

After accounting for results of Associates & Joint Venture, Group net loss after tax was \$6.0 million compared with net loss of \$13.2 million in 1Q FY2008.

Revenue by Region

Region	2Q 2008		1Q 2008	
	\$m	%	\$m	%
North Asia	56.6	49%	58.6	51%
South Asia	41.3	36%	39.2	34%
America/Africa/Europe/ Middle East/Oceania	18.0	15%	17.8	15%
Total	115.9	100%	115.6	100%

For 2Q FY2008, revenue was lower in North Asia primarily due to short term impact of Sichuan earthquake in China as the nation focused on relief efforts. Our fundamentals remain strong and we expect all regions to increase sales from quarter to quarter.

Global Network of Outlets

Region	30 June 2008	31 Mar 2008
North Asia	320	324
South Asia	253	283
America/Africa/Europe/ Middle East/Oceania	32	32
Total OSIM Outlets	605	639
Global Active Outlets	145	141
Brookstone Outlets	315	315
Total	1,065	1,095

In 2Q FY2008, the Group had an increase in Global Active outlets as it expands its nutritional business in Malaysia. For OSIM, the reduction was mainly because of rationalisation of outlets with increased focus to achieve better profitability.

The Group has control over 1,065 outlets globally as at end June 2008. This worldwide presence continues to be a key strength of OSIM in maximising returns from the sale of innovative healthy lifestyle products to customers globally.

Current Period's 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, Cardio-Twist Trimmer uRobic and Stress Relief Head Massager uCrown in Asia.
2. To continue to improve on effective sales per store and effective sales per man.
3. To improve the quarterly performance of Brookstone by increasing store profitability through higher store productivity, enhanced selling culture and better products. There is also opportunity to build on its market leadership with the exit of its closet competitor.
4. To capitalise on a comprehensive product range by expanding Global Active's retailing network.
5. To add several countries this year to its International Franchise (OSIM is currently in 31 countries).

"Despite the increasingly challenging market environment globally, we are cautiously optimistic for the Group's performance in 2008. We will continue to develop our long term plan to build a global brand and take on selected opportunities to create more demand. 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 2H profit after tax in FY2008 to be better than 1H FY2008." 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.

In a 2008 survey by international market research company, Synovate, OSIM came up as the Number 1 Healthy Lifestyle products brand in consumers' minds across Asia. Overall, respondents across these markets ranked OSIM as the most preferred brand of healthy lifestyle products in Asia. In addition, OSIM brand ranked No 1 in spontaneous top-of-mind awareness, and was the 'Most Preferred Brand' of massage chair.

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, Oceania, Africa, the Middle East, Europe 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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