

Press release

OSIM International Ltd

Building a Global Brand in Healthy Lifestyle Products

OSIM Leads Consortium in S\$757m (US\$458m) Strategic Acquisition of Nasdaq-listed Brookstone Inc

Singapore, 15 April 2005 – Singapore Exchange Mainboard listed OSIM International Ltd (“OSIM”), a global leader in healthy lifestyle products today announced that OSIM Brookstone Holdings LP, through its special purpose vehicle Brookstone Acquisition Corporation, has entered into a definitive merger agreement with Nasdaq-listed Brookstone Inc (“Brookstone”) to acquire all the common shares of Brookstone at S\$33.83 (US\$20.50) per common share.

OSIM Brookstone Holdings LP is a consortium led by OSIM with participation from the management of Brookstone and financial investors Temasek Holdings (Private) Limited (“Temasek”) and JW Childs Associates LLP (“JWC”). Brookstone is a nationwide product development and specialty retailer with 288 outlets across 39 states in the USA.

The transaction values Brookstone at approximately S\$757m (US\$458m), which will be funded by a combination of S\$410m (US\$248m) in equity and S\$347m (US\$210m) in debt.

For the equity portion, which comprises common and preference shares, OSIM will contribute S\$149m (US\$90m), our financial partners Temasek and JWC S\$248m (US\$150m) and S\$13m (US\$8m) will come from the management of Brookstone. On a fully diluted basis, OSIM will own approximately 55% of Brookstone. OSIM expects to equity account the results of OSIM Brookstone Holdings LP.

The transaction is subject to regulatory approvals as well as approvals by the shareholders of OSIM and Brookstone. Mr Ron Sim, the beneficial owner of about 57% of OSIM’s issued share capital has undertaken to vote in favour of the transaction. Completion is expected to take place by end July 2005.

"The transaction is a unique opportunity that will combine OSIM's dominant position in Asia with Brookstone's strong market presence in the United States. In addition to enhancing the earnings of OSIM, the transaction will present many potential revenue and cost synergies for both companies to exploit due to the good business fit" said Mr Ron Sim, Founder & CEO of OSIM.

"I am pleased that Michael Anthony, President and CEO of Brookstone and his senior management team will continue to manage Brookstone post-acquisition. In addition, they have committed S\$13m (US\$8m) of their own money in OSIM Brookstone Holdings LP," added Mr Sim.

Mr Michael Anthony, President and CEO of Brookstone said, "This transaction offers great value to our stockholders and tremendous opportunity for our Company going forward. OSIM will be a strategic partner with product development capabilities extremely complementary to those of Brookstone's, in addition to an international store infrastructure, primarily in Asia, that will help expand the Brookstone brand globally".

Mr S. Iswaran, Managing Director (Strategic Development) of Temasek said, "We invested in OSIM in 2000 as part of Temasek's strategy of investing in promising regional enterprises. This transaction will bring OSIM to the next level in its growth and we are pleased to be partnering the company and JW Childs in this opportunity".

Transaction Rationale for OSIM

Through Brookstone, OSIM will achieve geographical expansion to the USA, a large homogeneous consumer market with about 100 million households. Although the USA healthy lifestyle industry remains relatively undeveloped, US consumers have recorded increasing demand for healthy lifestyle products. This timely investment will enable OSIM to benefit from the growth and expansion of the healthy lifestyle market in the USA. In expanding to the USA market, OSIM will capitalise on Brookstone's high level of brand awareness among USA consumers and the nationwide network of 288 well located outlets across 39 states to market its extensive range of healthy lifestyle products.

In addition to the revenue synergies from cross selling OSIM's healthy lifestyle products in the USA, Brookstone is expected to achieve cost synergies through

bulk purchasing and by taking advantage of OSIM's Asian sourcing network. Brookstone will also be able to leverage on OSIM's experience in expanding its innovative concept and products to Asia. The acquisition of Brookstone will enhance as well as broaden the earnings base of OSIM.

Financial Effects

For illustrative purposes only, in computing the financial effects of the transaction on the earnings per share of OSIM, it is assumed that the transaction was completed on 31 July 2004. Based on this, the transaction is earnings accretive for FY2004. The transaction has no impact on the net asset value per share of OSIM.

We expect the transaction to be earnings accretive for FY2005.

Prospects

In FY2004, Brookstone's sales rose 14.9% to US\$499 million and it earned a record net profit of US\$21.4 million or US\$1.02 per diluted share. In a press release dated 28 March 2005, Brookstone stated that it believes it can deliver earnings of between US\$1.20 and US\$1.25 per diluted share in FY2005.

Mr Sim said, "The introduction of new products, addition of new point-of-sale outlets, higher catalogue circulation, internet sales and Asian expansion will contribute to the growth of Brookstone over the next few years".

The transaction meets the key rationale in OSIM's acquisition strategy by reinforcing the global leadership position of OSIM in the healthy lifestyle industry. The geographical expansion into the USA market will provide another avenue of growth. Barring unforeseen circumstances, the guidance of higher revenue and net profit for the OSIM Group in FY2005 is maintained.

Note: Please refer to the SGXnet announcement dated 15 April 2005 for details of the transaction. The transaction is priced in US\$. The S\$ equivalent figures are based on an exchange rate of S\$1.65.

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.

Today, OSIM operates a wide point-of-sales network of over 560 OSIM outlets in Asia, Australia, Africa, the Middle East, United Kingdom and North America. Our business currently comes under four complementary focuses. Together, these focuses reflect OSIM's holistic and integrated approach to healthy lifestyle.

- Health Focus is about helping you to make the right choices in managing your healthy lifestyle.
- Hygiene Focus is about clean air, clean water and clean environment for your home and office.
- Nutrition Focus is about supplementing your daily nutritional needs for a balanced diet.
- Fitness Focus is about bringing the convenience of fitness to the comfort of your home.

Our mandatory offer for Global Active Limited became unconditional. Global Active is the sole GNC franchisee in Singapore, Malaysia, Brunei, certain US military and naval bases in Japan, Korea, Saipan, Guam and PRC. The GNC Group comprises the largest U.S. specialty retailer of vitamins, minerals, herbal supplements, sports nutrition supplements, as well as many personal care and related products. The acquisition will add an additional 143 outlets to our Group.

OSIM Global Network:

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

Over 703 OSIM Outlets Worldwide In 23 Countries

For more information, please visit www.osim.biz or contact us at ir@osim.com.sg

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About Brookstone Inc.

Background

Brookstone, Inc. is a product development and specialty retail company that operates 288 Brookstone Brand stores nationwide in the United States and in Puerto Rico. Typically located in high-traffic regional shopping malls, lifestyle centres and airports, the stores feature an assortment of unique and innovative consumer products that are functional in purpose, distinctive in quality and design and not widely available from other retailers. The company also operates five stores under the Gardeners Eden Brand (acquired in 1999) and Brookstone's multi-channel distribution network includes a direct-marketing business that consists of three catalogue titles: Brookstone, Hard-to-Find Tools and Gardeners Eden, as well as e-commerce web sites at www.brookstone.com and www.gardenerseden.com.

From the beginning in 1965, quality of product, quality of service, and quality of people have been a hallmark of Brookstone. The first catalogue consisted of 24 black and white pages, with detailed, no-nonsense information on features, capabilities, measurements, materials and anything that would help the customer with his or her buying decision. As Brookstone's catalogue success grew, its operations expanded. In 1973, Brookstone opened its first retail store in Peterborough, New Hampshire.

From the start Brookstone wanted to create a fun, interactive shopping experience. At our stores customers are encouraged to try products out for true, hands-on shopping. Every visit to Brookstone is an opportunity to discover new and ingenious items of superior quality - all in a friendly environment of customer service and integrity that simply can't be found anywhere else. The consistently unique line of products, the fun interactive shopping environment, and the detailed catalogues are the reason more and more people seek out Brookstone each year.

Brookstone.com commands a strong and growing presence on the Internet. With the acquisition of the Gardeners Eden catalogue in 1999 and the launch of GardenersEden.com in 2003, the growth trend in internet sales continues. Today, Brookstone's headquarters are located in Merrimack, New Hampshire, and its distribution centre and customer service department (mail and telephone orders) are located in Mexico, Missouri.

FY2004 performance

For the 52-week fiscal year ended January 29, 2005, Brookstone's total sales climbed 14.9% to US\$499 million, compared with US\$434 million in 2003, while same-store sales rose 6.3%. The company's direct-marketing profit increased 73.5% to US\$11 million, on sales that rose 20.8% to US\$91 million on a 41.5% increase in circulation. Brookstone earned a record profit in 2004 of US\$21.4 million, or US\$1.02 per diluted share.

The company credited the record performance in 2004 to customer demand for proprietary Brookstone-branded products, as well as strong revenue growth among all the company's sales channels. It continued to see the benefits of investment in product-development infrastructure, as customer demand for products designed and engineered by Brookstone rose from 65% to 70% of sales. These products typically have a higher net margin than other products. The company was also able to raise product margins in 2004 over its strong performance in 2003.

All sales channels turned in record performances. The stores delivered a strong 6.3% increase in same-store sales, driven largely by unique product assortment. In addition, airport store same-store sales were above the company average. In 2004, 18 Brookstone-branded stores were opened, including three in airports, and 12 locations remodelled.

Driven by the strength of the Brookstone catalogue and website www.brookstone.com, as well as the strategy to leverage the synergy of all of sales channels, the direct-marketing business delivered another record performance, generating a 73.5% increase in profit over 2003. Throughout 2004, the company executed a successful marketing strategy by approximately doubling the circulation of the Brookstone catalogue and generating incremental revenue and profit to all sales channels. Additionally, the website continued its strong double-digit growth and in 2004 generated 8.7 % of total sales.

Gardeners Eden brand delivered its second consecutive year of double-digit same-store sales increases. In 2004, two new stores were opened for a total of five locations in various real-estate venues. Only when these stores achieve the return criteria will further rollout of the Gardeners Eden stores be considered.

Looking ahead to fiscal year 2005, the company believes it can deliver earnings of between US\$1.20 and US\$1.25 per diluted share. This expectation is based on the opening of approximately 20 new Brookstone stores, generating a 2% to 3% same-store sales increase, increasing the productivity of the Brookstone catalogue and continuing to grow the Internet business.

For more information, please visit www.brookstone.com

About Temasek Holdings (Private) Limited

Temasek Holdings is an Asian investment company headquartered in Singapore.

Established in 1974, it manages a diversified global portfolio of S\$90 billion, spanning Singapore, Asia and the OECD economies. Its investments are in a range of industries: telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology, as well as pharmaceuticals and biosciences.

Singapore-based Temasek-linked companies include well-known listed firms such as Singapore Airlines, SingTel, DBS Bank, SMRT Corporation and Neptune Orient Lines. Our recent investments include ICICI Bank, Matrix Laboratories and the Apollo Hospital group in India, Bank Danamon and Bank Internasional Indonesia in Indonesia, Quintiles Transnational Corp in the US, as well as Telekom Malaysia.

For more information, please visit: www.temasekholdings.com.sg

About J.W. Childs Associates, L.P.

J.W. Childs Associates, L.P. ("JWC") is a leading private equity firm based in Boston, Massachusetts specialising in leveraged buyouts and recapitalisations of middle-market growth companies. Since 1995, JWC has invested in 28 companies with a total transaction value of US\$7.0 billion. It currently invests through J.W. Childs Equity Partners III, L.P., an investment fund with a total committed capital from leading financial institutions, pension funds, insurance companies and university endowments of US\$1.75 billion. When making investments, JWC:

- focuses on middle-market companies that have the capability to expand operating earnings at greater than 10% per year. Such a capability is a function of the quality of management, the market opportunity for the company's products or services, barriers to competition and high return investment opportunities;
- focuses on acquiring companies in the consumer products, healthcare and specialty retail industries. While JWC is opportunistic in seeking growth oriented investments, these sectors are the areas in which its partners have relevant experience and in which it has generated its greatest investment success;
- involves partners with operational backgrounds in the due diligence process and subsequent development of acquired companies. These partners bring a unique perspective to both the acquisition and growth processes and, while not active in day-to-day portfolio company management, provide a helpful sounding board to the management partners;
- invests only in transactions in which senior management is making a financial commitment that is personally significant, and structure incentive

compensation plans that powerfully motivate management to achieve their operating objectives by offering entrepreneurial-size rewards;

- engages only in friendly transactions to maximize access to reliable information about prospective acquisitions. Such information is most effectively developed in close partnership with management; and
- capitalises companies with sufficient equity to support growth, often resulting in lower leverage ratios than are typical for leveraged buyouts. It has been our experience that growth outweighs leverage in producing exceptional returns.

Key personnel at JWC include:

William E. Watts, Operating Partner

WILLIAM E. WATTS, Operating Partner, joined J.W. Childs Associates in June 2001. Previously, he was President and Chief Executive Officer of General Nutrition Companies, Inc. from 1991 until 2001. Prior to being named President and Chief Executive Officer in 1991, Mr. Watts held the positions of President and Chief Operating Officer of General Nutrition, Inc., President and Chief Operating Officer of General Nutrition Center, Inc., Senior Vice President of Retailing and Vice President of Retail Operations. Mr. Watts holds a B.A. degree from the State University of New York at Buffalo.

Adam L. Suttin, Partner

ADAM L. SUTTIN, Partner, co-founded J.W. Childs Associates in July 1995. Previously he was an Associate at THL where he was employed from 1989 to 1995. Mr. Suttin received a B.S. degree, Magna Cum Laude, from the Wharton School of the University of Pennsylvania and a Bachelor of Applied Science, Magna Cum Laude, from the Moore School of Engineering of the University of Pennsylvania.

James C. Rhee, Vice President

JAMES C. RHEE, Vice President, joined J.W. Childs Associates in August 2000. Previously, he was an Associate in the Mergers and Acquisitions Department of Merrill Lynch from 1998 to 2000. From 1993 to 1995, Mr. Rhee taught at Wilbraham and Monson Academy. Mr. Rhee received an A.B. degree, with honors, from Harvard College and a J.D., with honors, from Harvard Law School, where he was an editor of the Harvard Law Review.

For more information, please visit www.jwchilds.com