



Friven & Co.

since 1977

NEWS RELEASE

FRIVEN & CO. REPORTS SIGNIFICANT INCREASE IN HALF YEAR EARNINGS

SINGAPORE, 14 November 2007 – Sesdaq-listed Friven & Co. Ltd (the “Group”), has reported a S\$32.2 million or nine-fold increase in turnover to S\$38.4 million and a 250 per cent increase in earnings to S\$6.0 million for the half year ended 30 September 2007.

The increase in turnover was primarily contributed by the newly acquired subsidiaries, Eagleton Direct Exports Ltd (EDEL) and Smart Easy Corporation (SEC). EDEL is a Hong Kong incorporated company involved in the sourcing and procurement of a wide variety of general merchandise targeted for sales to departmental stores in the United Kingdom and Australia. SEC’s business activities are to source and inspect consumable products for EDEL.

Friven & Co. completed its acquisition of 100 per cent interest in the issued and paid up share capital of these two companies on 2 April 2007.

EDEL and SEC constitute Friven & Co.’s sourcing and procurement division. The turnover for this division was S\$32.2 million or about 85 per cent of the Group’s total turnover. Houseware, home decoration and sundries formed about 60 per cent of the sourcing and procurement division’s total sales.

On top of that, Friven & Co.’s turnover for its furnishing division increased by about 24 per cent to S\$5.3 million for the half year. This was a result of new retail outlets being set up in the region, which contributed positively to the increase in sales.

In terms of earnings, the Group's gross profit of S\$6.0 million for the half year was significant when compared to S\$1.8 million for the six months ended 30 June 2006.

However, the gross margin over sales reduced from 30 per cent to 16 per cent. The inclusion of the two new subsidiaries within the Group attributed to the higher operating expenses. The provision of corporate tax expenses are substantially higher in this period compared to the last due to the addition of Hong Kong based EDEL. Also, as Friven & Co. continues to restructure and improve its business, many of the actions taken during the six months, such as the expansion of distribution channels, re-branding of the Group as well as streamlining of warehouse operations are reflected in the increased costs of selling and distribution. In order to support the growth and repositioning of Friven & Co., the Group's staff force was also strengthened and this translated into higher administrative costs.

Friven & Co.'s pre-tax loss was reduced by 76 per cent from S\$3.8 million to S\$0.9 million (total of continuing and discontinuing operations). The Group had completed its divestment of interest in the entire issued and paid up share capital of Jeje Corporatama Pte Ltd (discontinuing operation) on 31 October 2007.

Barring any unforeseen circumstance, the Group expects a continued increase in sales revenue for the second half of the financial year on account of the coming festive seasons, positive consumer spending trend and planned opening of more stores in the region.

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Friven & Co. Ltd

Friven & Co. Ltd was established in 1977 and is listed on SGX-SESDAQ. It is a customer-centric company with its core business in the manufacture and distribution of bedding and bedlinen brands which include Friven, DS, Perrin de Rossi, Allegoria and Relax@Home.

Friven & Co. also distributes a wide variety of home/living accessories. These items include household items, toys, gardening products, stationery, seasonal decor, electrical products, home decor and general merchandise. This enables the Company to offer customers holistic home/lifestyle solutions.

Besides being a retailer of bedlinen, bedding and home/living accessories, Friven & Co. is also a supplier to the hospitality industry, providing a wide range of bedding and home/living products for hotels, resorts and serviced apartments.

Friven & Co. distributes its bedding/bedlinen items in over 50 major department store counters in Singapore, Malaysia and Indonesia. Since December 2006, the Company has also been opening retail stores in the region. To date, five Friven & Co. stores have opened in Singapore (Jalan Kilang & Suntec City Mall), Kuala Lumpur (Bangsar) and Jakarta (Senayan City & Menteng).

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