



Brahim's Holdings Berhad

7.05, 7th Floor, Menara Hap Seng
Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia

MEDIA RELEASE

Contact Information:

NRA Access Sdn Bhd

Ng Kar Yean, Senior Consultant

Tel: +603 2163 3200 Fax: +603 2163 3400

Email: ngkaryean@nra.com.my

Brahim's Holdings Berhad

Goh Kee Kuang, Chief Executive Officer

Tel : +603 2072 0730. Fax : +603 2072 0732

Email: kkgoh@brahimsholdings.com

Brahim's Q2 pretax profit rebounded +73.7% from Q1

- Higher catering volume from increased short haul flights by MAS
- Brahim's commencing construction of sugar refinery in East Malaysia
- Finalising acquisition of 49% in BLSG to fully consolidate in-flight catering business
- Longer term growth intact as Brahim's seek out opportunities in food-related businesses

Kuala Lumpur, 17th August 2012: Brahim's Holdings Berhad ("Brahim's"), with its core business in flight catering services and airport restaurant operation, announced its second quarter financial results for the year ending 31 December 2012.

Group revenue rose 6.5% to RM47.7 million, whilst profit before tax surged 73.7% to RM4.8 million in the second quarter 2012 compared to the preceding first quarter 2012. The stronger quarter-on-quarter performance was a result of increased short-haul flights by Malaysian Airline System Berhad in their route-realignment programme.

On a year-on-year basis, Brahim's second quarter 2012 group revenue rose 3.9% against the corresponding second quarter in 2011. Although revenue from in-flight catering fell due to overall lower volume to MAS compared to last year, Brahim's group revenue in the quarter was lifted by a substantial jump in contribution from its food and beverage division, as it enjoys the first full year impact from its airport restaurant operation under Dewina Host Sdn Bhd, which Brahim's acquired in July 2011.

Consequently, profit before tax in the second quarter 2012 fell 22.5% to RM4.8 million against second quarter 2011, exacerbated by once-off transaction costs relating to corporate exercises. Brahim's achieved profit after tax attributable to equity holders of RM1.4 million for this second quarter period.

Group Executive Chairman, Datuk Ibrahim bin Haji Ahmad said, "The airline industry continues to be affected by the current global economic uncertainty. In such an environment, we are also proactively implementing cost cutting initiatives, reviewing our procurement practices and overhead costs to further streamline our operations."

"Overall, we are satisfied with the group's performance, knowing that we can only improve as Brahim's transformation into a significant food-related group continues. We are commencing with the construction of our 100,000 mt pa sugar refinery in Kuching, Sarawak, and pending our shareholders' approval, we are also aiming to complete the acquisition of the remaining 49% of BLSG by the end of September 2012."

"Brahim's will continue to seek out opportunities to expand our presence in food-related industries. Our niche and expertise in setting up and running the 'Halal' flight kitchen has also given us a strong platform from which we can embark on the provision of 'Halal' specialisation food services to regional and global markets. This is yet another strategy we intend to pursue."

Brahim's signed a facility agreement with Maybank yesterday to raise RM130m for the construction of the sugar refinery, which is expected to be completed by the end of 2013 and contribute positively to group earnings in 2014.

An EGM is also slated to be held in early September to approve the acquisition of the 49% in BLSG, which is the investment holding company for the in-flight catering operation. Once approved, Brahim's will be able to complete the transaction, and fully consolidate the contribution from its in-flight catering business into its group accounts by the fourth quarter of this financial year ending 2012.

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ABOUT BRAHIM'S HOLDINGS BERHAD

Listed on the Main Market of Bursa Malaysia, the core business of Brahim's Holdings Berhad is airport-centric, focusing on the provision of in-flight catering and restaurant operations. Formerly known as Tamadam Bonded Warehouse Berhad, Brahim's acquired 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd ("BLSG") in 2008, which holds a concession with Malaysia Airlines System Berhad ("MAS") for the provision of in-flight catering and related services.

In May 2012, Brahim's signed an agreement with LSG Sky Chefs (through LSG Asia GmbH) for the purchase of LSG Sky Chefs' 49% stake in BLSG for a cash consideration of RM130 million. An EGM is slated to be convened on 6 September 2012 to seek shareholders' approval for this acquisition. Upon successful completion of this transaction, BLSG will become a wholly-owned subsidiary of Brahim's.

BLSG owns a 70% stake in LSG Sky Chef-Brahim's Sdn Bhd ("LSGB"), the operating unit of the in-flight catering business. The remaining 30% in LSGB is held by MAS. LSGB prides itself as a globally recognised 100% halal flight kitchen with a fully halal compliant integrated food logistics supply chain. Its kitchen, operated by more than 900 staff from a 59,000 sq meter complex in KLIA, is the world's biggest halal flight kitchen, and has won numerous international awards for quality and excellence.

LSGB currently services over 36 international airlines, including MAS, Air Asia, Air Asia X, Etihad, Cathay Pacific, China Airlines, Japan Airlines, Korean Air, Thai Airways, Emirates Airlines, Garuda, KLM, Indian Airlines, Eva Air, Pakistan International Airlines, and Gulf Air.

Brahim's other businesses also include 51%-owned Dewina Host Sdn Bhd, which operates 8 airport restaurants located at the Kuala Lumpur International Airport ("KLIA") and the Low Cost Carrier Terminal ("LCCT"), including Burger King, Taste of Asia and Café Barbera.

Brahim's has licensing rights to gourmet coffee restaurant, Café Barbera in Malaysia, Singapore and Indonesia. There are currently 5 Café Barbera outlets in Malaysia, located in Bangsar, KLIA, Subang SkyPark, Sunway Pyramid and Setia Walk. Founded in 1870, Barbera Caffè S.p.A is based in Naples, Italy and offers world class high quality coffee and Italian dishes.

Brahim's acquired 60% in Admuda, which holds a licence from the Ministry of International Trade and Industry ("MITI") to operate as a licensed manufacturer of refined sugar in East Malaysia.

Issued on behalf of Brahim's Holdings Berhad by NRA Access Sdn Bhd