

LIFEBRANDZ LTD.
UPDATE ON LIFEBRANDZ BY REUTERS

Singapore's LifeBrandz, which operates bars and clubs such as Ministry of Sound in the city-state, said it expects to return to profit this year now that it has sold its beauty business. LifeBrandz, which used to sell slimming pills, is betting on Singapore's push to become one of the top destinations in Southeast Asia for clubs, bars and other forms of entertainment. The firm, which brought in brands such as the recently launched Spanish bar Cafe Del Mar and Paris-based Fashion TV's Fashion Bar, is "very bullish on turning positive" for the 2007 financial year, according to Executive Director Clement Lee.

LifeBrandz posted first-quarter net profits of S\$52,000 (\$33,920) for its financial year ending July 2007. For its financial year ended July 2006, the firm made a net loss of S\$21.9 million. "At least we've stopped the losses and are able to look forward to a better '07, '08 and '09," said Lee, who will take over from co-founder Michael Wong as chief executive officer in April. He declined to give specific figures. In July 2006, the firm sold its beauty products business and switched its focus to nightclubs and restaurants as Singapore decided to turn itself into the "Las Vegas of the East," Lee said.

The firm pays for licences to operate bars and dance clubs. Singapore's two planned casinos, which are expected to cost up to US\$6.6 billion and to open by 2010, will fuel demand for LifeBrandz's bars and nightclubs, Lee said. Singapore has been trying to create a more vibrant nightlife in the past couple of years as it wants to attract more tourists to keep the economy humming.

SOARING STOCK LifeBrandz's stock is one of the best performers in the All Singapore Index, up 123 percent in the past three months. "When a society matures and becomes more affluent, the value of these firms go up. This stock will appeal to younger investors," said a dealer with a local brokerage. Even so, the stock is still below its 20-cent IPO price.

Lee dismissed concerns that the city-state, with a population of 4.5 million, is too small to sustain a booming nightlife scene. Singapore entertainment firm Eng Wah shut down its Parisian topless cabaret Crazy Horse earlier this month, after only about a year, citing financial losses and a poor turnout. "In the lifestyle industry, everybody is fickle-minded, because there is choice," Lee said. "It's all a matter of how you revive and put in new elements into the brand."

The Ministry of Sound -- which operates just a few blocks away from where Eng Wah held its Crazy Horse show -- has been able to consistently maintain crowds of at least 80,000 customers a month, Lee said. LifeBrandz also plans to expand into "fast-growing markets" like Beijing, Shanghai and Macau, bringing in more European brands of nightclubs and restaurants within the next two years, Lee said. He declined to give investment targets. "We're looking at different

opportunities and we're talking to different people," Lee said. "When we find a right project and it's something that we're comfortable with that would yield exponential growth, then we'll decide to invest."

LifeBrandz, which listed in 2004 and has a stock market value of US\$69 million, is the only mainboard-listed restaurant and dance club operator in Singapore. Its closest rival, Harry's Bar -- the Singapore bar made famous by Barings rogue trader Nick Leeson -- listed in February on a small market called OTC Capital.

(Reporting by Wee Sui Lee, editing by Sara Webb - Feb 23 (Reuters))