



NEWS FROM OVERHILL FARMS, INC.

For Immediate Release

## Overhill Farms Announces Record Earnings and Revenues For Second Quarter

### *Income Rises 263%, to 20 Cents Per Share*

LOS ANGELES, CA (May 8, 2008) — Overhill Farms, Inc. (AMEX: OFI) reported record net revenues of \$66,448,000 for the second quarter ended March 30, 2008, an increase of \$20,420,000 or 44% from the \$46,028,000 reported for the second quarter of fiscal 2007.

Net income for the second quarter of fiscal 2008 was \$3,172,000 (\$0.20 per basic and diluted share) up 263% from the \$875,000 (\$0.06 per basic and diluted share) for the year-ago quarter.

James Rudis, Chairman and Chief Executive Officer of Overhill Farms said, "These record results for the second quarter come at a time when the entire food industry faces exceptional challenges in the costs of ingredients, energy and logistics. We believe our strong gains in both revenues and income reflect the Company's strengths in sales, product development, production, quality control and close attention to operating margins."

Mr. Rudis added, "These strengths have resulted in us gaining significant new business from some of the leading companies in the food industry. We believe this positions us to exceed last year's double-digit revenue growth."

Gross profit margins rose to 12.7% in the second quarter of fiscal 2008 compared to 9.1% in the year-earlier period. Mr. Rudis attributed the gain to on-going improvements in manufacturing efficiencies, enhancements in financial and operational controls, and increases in sales prices to customers.

"Although ingredient costs have risen sharply over the past year and may continue to rise, most of our agreements with new and existing customers reflect the prices we expect to pay to our suppliers for raw materials during the terms of these contracts," Mr. Rudis noted.

"We believe Overhill Farms is well positioned to maintain and improve operating margins in the coming quarters," he said.

By customer category, the Company said net revenues for the second quarter from retail customers increased by \$22.7 million, or 80.8%, to \$50.8 million from the \$28.1 million reported a year earlier. This increase was largely due to significantly higher volume of products for both a major national-brand food company and for Safeway Inc. which were launched in the year-ago quarter.

Foodservice net revenues for the most recent quarter declined by \$ 2.7 million, or 20.1%, to \$10.7 million from \$13.4 million a year earlier. The decline was attributable to a softness in the foodservice industry due to a slowing economy and reduced volume from one customer. The

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## Overhill Farms – 2

Company believes the foodservice sector continues to represent a significant opportunity for growth.

Airline net revenues increased by \$424,000, or 9.4%, to \$4.9 million for the quarter, from \$4.5 million a year earlier, due largely to increases in passenger travel.

For the six months ended March 30, 2008, the Company reported a net income of \$4,750,000 or \$0.30 per basic and diluted share, an increase of 95% from the \$2,431,000 or \$0.16 per basic share and \$0.15 per diluted share for the year-earlier period.

Revenues for the first six months of fiscal 2008 were \$123,274,000, an increase of \$36,707,000 or 42% from the \$86,567,000 for the first six months of fiscal 2007.

Operating income for the latest six months was \$10,141,000, or 8.2% of net revenues, up from \$6,263,000, or 7.2% of net revenues, for the year-earlier period.

During the quarter the Company was notified that meat used in some of its products was subject to the Hallmark/Westland Meat Packing Co. recall. Most of the meat was supplied to the Company by a customer-specified vendor, but was originally sourced from Hallmark/Westland. The Company approved the destruction of all affected product and incurred a charge of slightly more than \$1 million or \$0.04 per basic and diluted share. The Company believes it has recourse to recover all or part of these costs, and will record any recoveries as they occur.

Overhill Farms is a leading value-added supplier of custom high quality prepared frozen foods for branded retail, private label, foodservice and airline customers. Its product line includes entrées, plated meals, bulk-packed meal components, pastas, soups, sauces, poultry, meat and fish specialties, as well as organic and vegetarian offerings. The Company's capabilities give its customers a one-stop solution for new product development, precise replication of existing recipes, product manufacturing and packaging. Its customers include prominent nationally recognized names such as Jenny Craig, Inc., American Airlines, Inc., Safeway Inc., Pinnacle Foods Group LLC and Panda Restaurant Group, Inc.

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*This news release contains disclosures that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations or beliefs and include, but are not limited to, statements about the Company's operations and financial performance and condition and statements regarding expectations of continued or increased sales, profitability, production efficiencies and expansions, cash flows and growth, ability to obtain favorable long-term purchase commitments for raw materials, anticipated amounts and timing of growth in the Company's customer base and business in the foodservice and retail market sectors. For this purpose, statements of historical fact may be deemed to be forward-looking statements. In addition, forward-looking statements include statements in which the company uses words such as "continue," "efforts," "expect," "believe," "anticipate," "confident," "intend," "strategy," "plan," "will," "estimate," "project," "goal," "target," "prospects," "optimistic" or similar expressions. These statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others: the Company's ability to meet its customers' production expectations; the Company's ability to achieve and maintain production efficiencies; the Company's ability to meet its obligations under its financing arrangements; the impact of competitive products and pricing; market conditions, weather patterns and the level and availability of long-term purchase commitments that may affect the cost of raw materials as well as the market for the Company's products; changes in the Company's business environment, including actions of competitors and changes in customer preferences; customers' ability and willingness to pay for products and meet their own contractual obligations under their agreements with the Company; customers' decisions regarding the timing and volume of shifts in production volume to other vendors; changes in general economic environment including increases in labor and energy costs; acts of terrorism or acts of war; changes in governmental laws and regulations, including income taxes; the Company's ability to timely and effectively establish, demonstrate and maintain compliance with Sarbanes-Oxley Section 404 reporting and internal control requirements; market and customer demand for new and existing products; and other factors as may be discussed in the Company's Annual Report on Form 10-K for the year ended September 30, 2007, Quarterly Report on Form 10-Q for the quarter ended March 30, 2008 and other reports filed with the Securities and Exchange Commission.*

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**OVERHILL FARMS, INC.**  
**CONDENSED SUMMARY OF OPERATIONS**

	<b>For the Quarter Ended</b>	
	<b>March 30, 2008</b>	<b>April 1, 2007</b>
Net revenues	\$ 66,447,684	\$ 46,028,425
Cost of sales	58,024,612	41,818,037
Gross profit	8,423,072	4,210,388
Selling, general and administrative expenses	2,058,353	1,677,055
Operating income	6,364,719	2,533,333
Total interest expense	(976,478)	(1,084,324)
Other income	189	11,456
Income before income tax expense	5,388,430	1,460,465
Income tax expense	2,216,515	585,422
Net income	3,171,915	875,043
Net income per share – basic	\$ 0.20	\$ 0.06
Net income per share – diluted	\$ 0.20	\$ 0.06
Shares used in computing net income per share, basic	15,739,055	15,286,493
Weighted average shares outstanding	15,974,300	15,781,221

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**OVERHILL FARMS, INC.**  
**CONDENSED SUMMARY OF OPERATIONS**

	<b>For the Six Months Ended</b>	
	<b>March 30, 2008</b>	<b>April 1, 2007</b>
Net revenues	\$ 123,274,313	\$ 86,566,917
Cost of sales	108,863,938	76,850,026
Gross profit	14,410,375	9,716,891
Selling, general and administrative expenses	4,269,585	3,454,273
Operating income	10,140,790	6,262,618
Total interest expense	(2,070,990)	(2,198,683)
Other expenses	(11,414)	(6,643)
Income before income tax expense	8,058,386	4,057,292
Income tax expense	3,308,527	1,626,490
Net income	4,749,859	2,430,802
Net income per share – basic	\$ 0.30	\$ 0.16
Net income per share – diluted	\$ 0.30	\$ 0.15
Shares used in computing net income per share, basic	15,679,663	15,276,882
Weighted average shares outstanding	15,918,184	15,726,767