



## NEWS FROM OVERHILL FARMS, INC.

For Immediate Release

### Overhill Farms Announces Net Income of 16 Cents Per Share For First Quarter, on Revenues of \$55.3 Million

LOS ANGELES, CA (February 6, 2009) — Overhill Farms, Inc. (NYSE Alternext US: OFI) today reported sharply higher net income on slightly lower net revenues for the first fiscal quarter.

The Company reported net income for the three months ended December 28, 2008 of \$2.5 million or \$0.16 per basic and diluted share, an increase of 56% from the \$1.6 million or \$0.10 per basic and diluted share for the year-ago quarter.

Net revenues for the first quarter of fiscal 2009 were \$55.3 million, down \$1.5 million or 2.6% from the \$56.8 million reported for the first quarter of fiscal 2008.

James Rudis, Chairman and Chief Executive Officer of Overhill Farms, said, "Our strong first quarter earnings, despite a slight downturn in revenues, reflect the Company's strengths in product development, production and quality control, along with our close attention to managing our costs, which is especially important in the current economic environment."

Mr. Rudis added, "We believe these strengths, combined with our continuing emphasis on sales to new and existing customers, position us to perform well during what we anticipate will be a challenging year for the Company. We expect the slowdown in the nation's economy to affect our business, as it is affecting almost all companies. At this time it is difficult to estimate what the impact may be on our revenues and gross profit margin for the next several quarters."

He noted that, due to the economy, "We believe our customers will be managing their inventories more closely, and will take a more conservative approach on new product launches and promotions. However, we believe this will be a short-term adjustment to changing market conditions, and that order volumes and product introductions will normalize over the course of the year. On the positive side, we believe our opportunities remain strong for new business, both from new customers and from additional products and volume from existing customers."

Mr. Rudis noted that gross profit margins increased in the first quarter of fiscal 2009 compared to the year-earlier period, to 13.6% from 10.5%. Mr. Rudis attributed the increase to on-going manufacturing improvements, increased efficiencies and yields, increased financial reviews and controls and modest increases in sales prices to several customers. These were offset partially by new product development costs.

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By customer category, the Company said net revenues for the first quarter from retail customers increased by \$5.9 million, or 16.1%, to \$42.5 million from the \$36.6 million reported a year earlier. This increase was largely due to the addition of 30 new items for Safeway Inc., as well as increased sales to other retail customers.

As previously announced, the Company anticipates a shift in a portion of its business mix. One retail customer transitioned to self-manufacturing at the end of the first fiscal quarter. This revenue is expected to be replaced, beginning in the latter part of the second fiscal quarter, by committed business from a foodservice customer. The Company also sees other opportunities in additional retail and foodservice business.

“The frozen food products we manufacture for leading national and store brands offer exceptional value and convenience to consumers,” Mr. Rudis noted. “Today, when family budgets are under strain and working adults have less time to prepare meals, the demand for high quality, nutritious and convenient frozen foods is likely to be strong.”

Foodservice net revenues for the first quarter decreased by \$5.1 million, or 34.9%, to \$9.5 million from \$14.6 million a year earlier, due to a previously announced decrease in volume for an existing foodservice customer and softness in the foodservice industry caused by a slowing economy. The Company is continuing its sales efforts in the foodservice sector, and believes it represents a significant opportunity.

Airline net revenues decreased by \$2.3 million, or 41.1%, to \$3.3 million for the quarter. Because of airline initiatives to cut costs, including food service to passengers, the Company anticipates further decreases in airline net revenues, and is transitioning to other opportunities outside this category.

Overhill Farms is a value-added supplier of custom high quality frozen foods to foodservice, retail and airline customers.

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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, revenues, profitability, production efficiencies and expansions, cash flows and growth, likelihood that new business from other customers will replace anticipated lost revenues, ability to obtain favorable long-term purchase commitments for raw materials, ability to secure a long-term relationship and quickly reach a mutually beneficial accommodation with a major national-brand food company customer, decreasing airline sales, and 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," "likely," "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 production efficiencies and expand its production capacity as and when required; the Company's ability to meet its obligations under its financing arrangements; the impact of competitive products and pricing; market conditions, seasonality, 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 and other obligations under their agreements with and commitments to the Company; customers' decisions regarding the timing and volume of shifts in production volume to other vendors; acts of terrorism or acts of war; changes in governmental laws and regulations, including*

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*income taxes; the Company's ability to continue to maintain compliance with financial 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 28, 2008, Quarterly Report on Form 10-Q for the quarter ended December 28, 2008 and other reports filed with the Securities and Exchange Commission.*

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

	<b>For the Quarter Ended</b>	
	<b>December 28, 2008</b>	<b>December 30, 2007</b>
Net revenues	\$ 55,272,029	\$ 56,826,629
Cost of sales	47,764,510	50,839,325
Gross profit	7,507,519	5,987,304
Selling, general and administrative expenses	2,534,216	2,211,232
Operating income	4,973,303	3,776,072
Total interest expense	(814,088)	(1,094,512)
Other expense	–	(11,603)
Income before income taxes	4,159,215	2,669,957
Income tax expense	1,626,252	1,092,013
Net income	<u>\$ 2,532,963</u>	<u>\$ 1,577,944</u>
Net income per share – basic	<u>\$ 0.16</u>	<u>\$ 0.10</u>
Net income per share – diluted	<u>\$ 0.16</u>	<u>\$ 0.10</u>
Shares used in computing net income per share, basic	15,823,271	15,620,271
Weighted average shares outstanding	16,018,339	15,862,067

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