



**NEWS FROM OVERHILL FARMS, INC.**

**For Immediate Release**

## **Overhill Farms Reports Net Income of 7 Cents Per Share on Revenues of \$47.5 Million for First Quarter**

LOS ANGELES, CA (February 9, 2012) — Overhill Farms, Inc. (NYSE-AMEX: OFI) today reported net income of \$1.1 million, or \$0.07 per basic and diluted common share, on revenues of \$47.5 million for the first quarter of fiscal year 2012, which ended January 1, 2012.

This compares to a net income of \$1.6 million, or \$0.10 per basic and diluted common share, on revenues of \$44.8 million for the first quarter of fiscal year 2011, which ended January 2, 2011. The most recent fiscal quarter was a 13-week period, compared to the 14-week period of the year-earlier fiscal quarter.

James Rudis, the Company's Chairman, President and Chief Executive Officer, said, "The Company performed well during the most recent fiscal quarter, with significant improvements in sales, profitability and gross margins as compared to the third and fourth quarters of fiscal year 2011. We anticipate improved sales to most of our long-term retail and food service customers, and favorable results from our intense focus on improving our gross profit margins."

Looking ahead, Mr. Rudis said, "While we anticipate that economic conditions will continue to be challenging in 2012, we are already seeing positive indicators for the Company's near-term future. Early in the first quarter of fiscal 2012 we began distribution of Boston Market products to one of the largest supermarket chains on the East Coast. After the quarter ended, one of the nation's largest retailers, which was already carrying Boston Market products in its stores in the Eastern half of the United States, told us it was extending distribution to another 650 stores in the West."

Mr. Rudis added, "The Boston Market line is now profitable, with initial marketing investments and start-up costs largely behind us. We continue to focus on improving that profitability through a number of product and manufacturing improvements, as well by returning promotion activity to normalized levels."

In addition, Mr. Rudis said, "We are preparing to launch a second product line for one of our major retail accounts, and one of our largest foodservice customers has committed a significant amount of additional business to us. We are also in the test market phase for a new product for a major restaurant chain – an opportunity that developed out of our relationship with Simplot."

Retail net revenues for the first fiscal quarter of 2012 increased by \$3.1 million, or 10.5%, to \$32.6 million, from the \$29.5 million for the first quarter of fiscal year 2011, largely due to sales of Boston Market branded products.

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Foodservice net revenues decreased by \$145,000, or 1.1%, to \$13.0 million for the first quarter of fiscal year 2012 from \$13.2 million for the first quarter of fiscal year 2011.

Airline net revenues decreased by \$238,000, or 11.3%, to \$1.9 million for the first quarter of fiscal year 2012 from \$2.1 million for the first quarter of fiscal year 2011, due to continuing airline industry initiatives to cut cost.

Gross profit for the first quarter of fiscal year 2012 decreased to \$4.7 million, a reduction of \$285,000, or 5.7%, from the \$5.0 million for the first quarter of fiscal year 2011, due to higher costs, primarily for commodities, freight, and storage.

Gross profit as a percentage of net revenues was 9.9% for the first quarter of fiscal year 2012, compared to 11.2% for the first quarter of fiscal year 2011.

### CONFERENCE CALL

The Company will host a conference call on February 9, 2012, at 8:00 a.m. Pacific time (11:00 a.m. Eastern time). Shareholders and investment professionals can participate by dialing 877-407-9210. A webcast of accompanying slides will be at [www.investorcalendar.com/ClientPage.asp?ID=167287](http://www.investorcalendar.com/ClientPage.asp?ID=167287).

### ABOUT OVERHILL FARMS

Overhill Farms, Inc. ([www.OverhillFarms.com](http://www.OverhillFarms.com)) is a 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 Panda Restaurant Group, Inc., Jenny Craig, Inc., Safeway Inc., Target Corporation, Pinnacle Foods Group LLC, and American Airlines, Inc. The Company also sells frozen foods under the Boston Market brand, under exclusive license with Boston Market Corporation

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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, increased or improved sales volumes and revenues, margins, profitability, production efficiencies and expansions, brokerage, freight and promotional expense savings, cash flows and growth, anticipated amounts and timing of growth in the Company's customer base and business in the foodservice and retail market sectors, revenue growth from new customers and as a result of additional business from existing customers, expectations concerning our Boston Market line, the results of test marketing of new products, implementation of a stock repurchase program, contemplated or potential acquisitions or similar transactions and general economic pressures. For this purpose, statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as "continue," "efforts," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "strategy," "will," "potential," "may," "goal," "target," "prospects," "optimistic," "confident," "likely," "probable," "hope," "should," "growth," "opportunities" or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), on-going business strategies or prospects, and possible future company actions, which may be provided by management, are also forward-looking statements. We caution that these statements by their nature involve risks and uncertainties, and*

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*actual results may differ materially depending on a variety of important factors, including, among others: the Company's and other parties' ability to satisfy conditions precedent to proposed acquisitions or similar transactions, including, without limitation, obtaining any applicable regulatory and stockholder approvals, the impact of competitive products and pricing; fulfillment by suppliers of existing raw material contracts; market conditions that may affect the costs and/or availability of raw materials and the Company's ability to obtain favorable long-term purchase commitments for raw materials, and of fuels, energy, logistics and labor as well as the market for the Company's products, including customers' ability to pay and consumer demand; changes in business environment, including actions of competitors and changes in customer preferences, as well as disruptions to customers' businesses; certifications obtained by competitors; seasonality in the retail category; blackout periods and other factors that may limit the Company's ability to repurchase shares under a stock repurchase program; loss of key customers due to competitive environment or production being moved in-house by customers; natural disasters that can impact, among other things, costs of fuel and raw materials; the occurrence of acts of terrorism, such as the events of September 11, 2001, or acts of war; changes in governmental laws and regulations; change in control due to takeover or other significant changes in ownership; financial viability and resulting effect on revenues and collectability of accounts receivable of customers during deep recessionary periods; ability to obtain additional financing as and when needed, and rising costs of credit that may be associated with new borrowings; voluntary or government-mandated food recalls; and other factors as may be discussed in the Company's Annual Report on Form 10-K for the year ended October 2, 2011, Quarterly Report on Form 10-Q for the quarter ended January 1, 2012 and other reports filed with the Securities and Exchange Commission.*

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### **Contacts:**

James Rudis, Chairman, President and CEO  
Overhill Farms, Inc.  
323-582-9977

Alexander Auerbach  
Auerbach & Co. Public Relations  
1-800-871-2583  
auerbach@aapr.com

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

(Unaudited)

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	<b>For the Quarter Ended</b>	
	<b>January 1, 2012</b>	<b>January 2, 2011</b>
Net revenues	\$ 47,509,710	\$ 44,761,458
Cost of sales	42,824,630	39,791,035
Gross profit	4,685,080	4,970,423
Selling, general and administrative expenses	2,814,751	2,274,890
Operating income	1,870,329	2,695,533
Interest expense:		
Interest expense	(69,212)	(63,601)
Amortization of debt discount and deferred financing costs	(27,158)	(28,209)
Total interest expense	(96,370)	(91,810)
Income before income taxes	1,773,959	2,603,723
Income taxes	653,967	994,622
Net income	\$ 1,119,992	\$ 1,609,101
Net income per share:		
Basic	\$ 0.07	\$ 0.10
Diluted	\$ 0.07	\$ 0.10
Shares used in computing net income per share:		
Basic	15,823,271	15,823,271
Diluted	16,009,380	16,046,124

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