



BREADTALK GROUP LIMITED

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NEWS RELEASE

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BreadTalk to Launch J.Co Donuts & Coffee Brand in Singapore

Singapore, 17 December 2007 – SGX SESDAQ-listed BreadTalk Group Limited ("BreadTalk" or the "Company"), a leading lifestyle F&B group, is pleased to announce that it had today entered into a franchise agreement to acquire and manage the J.Co Donuts & Coffee ("J.Co") master franchise in Singapore.

In this latest strategic move to broaden its brand concepts and expand its revenue and customer base, BreadTalk had formed a joint-venture company, Twin Peaks Venture Singapore Pte. Ltd ("Twin"), with SPORE Donut & Coffee Venture Pte. Ltd, ("SPORE") to manage the J.Co operations in Singapore. BreadTalk owns 70% of Twin while SPORE, representative of J.Co chain's owner, the remaining 30%.

J.Co is the fastest growing donut & coffee chain in South-East Asia. Within a short span of 2.5 years, J.Co has grown to 30 outlets in 9 cities in Indonesia. It recently began its foray into Malaysia with the opening of an outlet in Pavilion Shopping Mall in Kuala Lumpur.

J. Co is well-positioned as a café business offering top-quality Italian coffee & chocolate beverages, complemented by a range of premium, innovative donuts. Its donuts are made from superior-quality ingredients and are light to the taste. A typical J.Co outlet is well-designed to suit a lifestyle concept, with abundant energy, music, comfortable seating and attractive display counter with an open kitchen.

Of Twin's total paid-up capital of S\$1.5 million, BreadTalk will fund its share of S\$1,050,000 through internal resource. The master franchise carries a 10-year tenure. BreadTalk will have majority control of the Board of Directors and management with Dr. George Quek (BreadTalk's Group Chairman) as the Chairman of Twin.

Dr. George Quek, Group Chairman of BreadTalk and Chairman of Twin, said, "This venture in J.Co is a continuation of our ongoing expansion into new retail concepts and customer segments. As we continue to set our sight on the region for opportunities of fresh income streams, this latest investment underlines our pursuit of greater returns from the region's buoyant retail markets. We are delighted to form a mutually beneficial partnership with J.Co as we look forward to bringing greater choices to consumers in Asia."

Added Dr. Quek, "Singapore's intention to grow the resident population to approximately 6 million and the projected increase in tourist arrivals will offer new opportunities for the retail and tourism related sectors. J.Co's international cosmopolitan lifestyle positioning will appeal to the city's affluent population and tourists."

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the transaction.

The transaction is not expected to have a significant impact on the net tangible assets (NTA) and earnings per share (EPS) of the Company for the year ending 31st December 2007.

About BreadTalk Group Limited

Founded as an F&B operator in 2000 and listed on the SGX in 2003, BreadTalk has rapidly expanded to become a distinctive household brand owner that has established its mark on the world stage. With global staff strength of 2,000 employees across 11 countries, the Group now owns and operates approximately 70 bakery outlets in Singapore, PRC and Thailand, operates 89 franchised outlets across Asia and the Middle East, and owns and operates 5 world-renowned Din Tai Fung restaurants in Singapore, as well as 25 award-winning Megabite/Food Republic food atrias in Singapore, PRC, Hong Kong and Malaysia.

BreadTalk's efforts at building strong brand equity have also earned it numerous awards, including Singapore Promising Brand Award (SPBA)'s "Silver Award" in 2004 and "Gold Award" in 2005, "Most Distinctive Brand Award" in 2003, 2004 and 2005, as well as the "Most Popular Brand Award" in 2002 and 2005 awarded by the Association of Small and Medium Enterprises (ASME) and Singapore Press Holdings. The Group had also won the CitiBusiness SPBA (Singapore Promising Brand Award) Regional Brand Award 2006. This was a new award created to honour past SPBA winners who had succeeded in making its mark in new regional markets and extended its growth and brand name to different countries. Similarly, its efforts at building brand equity reaped fruits in Shanghai as it won the 5 Star Diamond Award presented by the World Brand Laboratory in the PRC in 2006.

In 2004, BreadTalk clinched the coveted Design For Asia Award from the Hong Kong Design Centre, as well as the Most Transparent Company Award organised by the Securities Investors Association of Singapore (Runner-Up, SESDAQ category) in 2004 and 2005.

In November 2006, Group Chairman, Dr. George Quek won the Ernst & Young Emerging Entrepreneur of the Year 2006 Award. Dr George Quek also clinched the "Entrepreneur of the Year" award given by ASME and the Rotary Club of Singapore in 2002.

For further information, please contact:

<p>Company:</p> <p>BreadTalk Group Limited</p> <p>Ms. Catherine Lee, CFO Tel: 65-62856116 Email: <catherine.lee@breadtalk.com></p>	<p>Investor Relations Consultant:</p> <p>SPIN Capital Asia</p> <p>Mr. Michael Tan Tel/Fax: 65-62277790 Email: <michael@spin.com.sg></p>
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