



**For Immediate Release  
May 14, 2007**

## **FOOD EMPIRE Q1 SALES UP 11.5% AND PROFIT UP 6.8%**

**Singapore May 14, 2007** – Main board listed Food Empire Holdings Limited (Group) – a leading food and beverage manufacturing company – today announced a 6.8% increase in net profit attributable to shareholders for three months ended 31 March 2007.

The increased profit comes on the back of an 11.5% increase in sales, which rose from S\$55.1 million in Q1 FY2006 to S\$61.5 million in Q1 FY2007.

Beverages continue to be the main contributor to revenue, contributing 93.2% of the Group's sales.

The Group continues to have a strong balance sheet with very low gearing. As at March 31, 2007, net assets after minority interests were S\$148.7 million with total borrowings of just S\$6.7 million.

### **Acquisition of Petrovskaya Sloboda Brand**

During the quarter, the Group purchased the entire issued and paid-up share capital of Naurant Systems Inc (Naurant) for US\$8.8 million. The acquisition was funded by internal resources.

Through its subsidiaries, Naurant owns the Petrovskaya Sloboda brand of popular instant coffee mixes in Russia and Ukraine, as well as manufacturing operations in Russia. The acquisition will strengthen the Group's position in its core markets of Ukraine and Russia.

Naurant did not contribute to the Group's first quarter results as the acquisition was not completed until March 26, 2007.

### **Looking Ahead**

Mr Tan Wang Cheow, Group Chairman and Managing Director said, "Our targeted marketing and focused brand building activities in our key markets of Russia, Ukraine and Kazakhstan continue to increase the awareness and popularity of our brands."

## **About Food Empire Holdings**

SGX mainboard-listed Food Empire Holdings is a leading food and beverage company that manufactures and markets instant beverage products, frozen convenience food, confectionery and snack food.

Food Empire Holdings' products are exported to over 59 countries in markets such as Russia, Eastern Europe, Central Asia, China, Indochina and the US. The Group has 18 representative and liaison offices in 18 countries including Russia, Ukraine, Kazakhstan, Uzbekistan, Iran, Poland, Turkey, Belgium, Mongolia and Vietnam.

The Group's core products include a wide variety of regular and flavoured coffee mixes and cappuccinos, instant chocolate, instant breakfast cereal and flavoured fruit teas. Food Empire also markets a refreshing range of confectionery, snack food such as dried calamari and potato crisps and a delectable assortment of frozen convenience food that includes Asian delicacies.

Food Empire has more than 400 types of products under its own brands including MacCoffee, Klassno, Hyson, FesAroma, Bésame, OrienBites, MacCandy, Zinties and Kracks. MacCoffee, the group's flagship brand, has been consistently rated as a market leader over the past few years and was recently ranked among the top three most popular instant 3-in-1 coffee brands in the group's core markets including Russia, Ukraine and Kazakhstan.

The company has won numerous accolades and awards including being ranked one of "The Most Valuable Singapore Brands" in 2003, 2004, 2005 and 2006 at the national brand award organised by IE Singapore. MacCoffee was also ranked one of "The Strongest Singapore Brands" and was conferred SuperBrand status in Russia in 2006. In 2005, Food Empire Holdings was awarded the coveted Star Packaging Award for innovative design and packaging of Zinties Ice Breeze Breath Strips and OrienBites Dim Sum Pack. In 2007, Food Empire Holdings was the official sponsor of the ISU European Figure Skating Championship, held in Warsaw, Poland.

**For more information on Food Empire, please visit [www.foodempire.com](http://www.foodempire.com)**

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