



**For Immediate Release
10 August, 2006**

**FOOD EMPIRE ACHIEVES RECORD HALF YEAR
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF S\$13.8 MILLION**

- *Profit attributable to shareholders up 71.7%*
- *Revenue up 26.4%, exceeding S\$100 million mark*
- *Growth in sales across major markets of Russia, Eastern Europe and Central Asia*
- *Earnings per share up 54.6%*

Singapore 10 August, 2006 – Mainboard listed Food Empire Holdings Limited (Group) – a leading food and beverage manufacturing company – today announced that profit attributable to shareholders increased to S\$13.8 million for the half year ended 30 June 2006. This represents a 71.7% increase on the corresponding period in 2005 and was achieved on the back of a 26.4% increase in revenue.

The record half year profit has resulted in a 54.6% increase in earnings per share (EPS), from 2.27 cents per share to 3.51 cents per share (fully diluted). Net Asset Value (NAV) per share increased by 5.1% from 25.63 cents as at 31 December 2005 to 26.93 cents per share as at 30 June 2006.

Compared to the first half of 2005, the Group's sales increased from S\$82.5 million to S\$104.3 million. Both the Group's key markets of Russia and Eastern Europe and Central Asia performed strongly.

Sales to Russia increased by 11.5% from S\$54.0 million in 1H2005 to S\$60.2 million in 1H2006. Sales to Russia have benefited from ongoing advertising and promotional efforts as well as the expansion of the Group's distribution network.

Sales to Eastern Europe and Central Asia grew by 64.4%, from S\$23.0 million in 1H2005 to S\$37.7 million in 1H2006. The increase in sales in Eastern Europe and Central Asia was due to the strong recovery in Ukraine where political instability affected sales in 1H2005.

	1H2006 S\$'000	1H2005 S\$'000	% Change
Revenue	104,289	82,534	26.4
Profit Before tax	14,819	12,649	17.2
Profit Attributable to Shareholders	13,841	8,059	71.7
EPS - Fully Diluted (cents)	3.51	2.27	54.6

During 1H2006, the majority of the Group's revenue of 57.7% came from Russia. Eastern Europe and Central Asia is the second largest market with 36.2%. Other markets contributed 6.1% of revenue.

Geographical Analysis

Revenue	1H2006 S\$'000	1H2005 S\$'000	% Change	% of Total Revenue
Russia	60,194	53,992	11.5	57.7
Eastern Europe and Central Asia	37,749	22,962	64.4	36.2
Others	6,346	5,580	13.7	6.1
Total	104,289	82,534	26.4	100.0

Beverages continued to be the Group's core product line, contributing 93.7% of total revenue. Beverage sales were strong across all key markets, with sales increasing by S\$21.5 million to S\$97.7 million in 1H2006. Revenue from non-beverage products increased marginally from S\$6.3 million in 1H2005 to S\$6.6 million in 1H2006.

"Despite challenging market conditions, we have successfully established our factory in Moscow and have seen the Group's revenue grow across all its key markets", the Group Chairman and Managing Director, Mr Tan Wang Cheow said.

“The Group’s branding efforts continue to strengthen customer loyalty, especially for our flagship MacCoffee range. On the ground, we continue to grow our distribution network to extend our reach in each of our key markets,” Mr Tan said.

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 50 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, Bahrain, 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’s core brands are MacCoffee, Klassno, Hyson, FesAroma, 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 Group has won numerous accolades and awards including being ranked one of “The Most Valuable Singapore Brands” in 2003, 2004 and 2005 at the national brand award organised by IE Singapore. MacCoffee was also ranked one of “The Strongest Singapore Brands”. 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.

For more information on Food Empire, please visit www.foodempire.com

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