



FOOD EMPIRE HOLDINGS LIMITED

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Press Release

Financial Year 2005 3rd Quarter Results: 3 months ended 30 September 2005

Food Empire Achieved 6.2% Revenue Growth

– Broad-based Expansion in Beverage Business across all Key Markets –

	3 months ended 30 Sep			9 months ended 30 Sep		
	2005	2004 (Restated)	Change	2005	2004 (Restated)	Change
	\$'000	\$'000		\$'000	\$'000	
Revenue	44,429	41,829	+6.2%	126,963	113,835	+11.5%
Pre-tax profit	5,469	6,304	-13.2%	18,118	16,878	+7.3%
Net Profit attributable to Shareholders	4,143	4,533	-8.6%	12,202	11,357	+7.4%
Basic EPS (cts)	1.09	1.30	-16.2%	3.38	3.27	+3.4%

Highlights:

- 6.2% growth in Revenue to \$44.4 million led by broad-based increase in Beverage sales.
- Revenue from all key markets grew, driven by strong product brand name and successful distribution network expansion.
- Beverage sales rose 7.2% on growing demand for the Group's coffee-based products.
- The Group achieved \$4.1 million in Net Profit attributable to Shareholders despite higher import costs.

SINGAPORE (10 November 2005) – Singapore Exchange (“SGX”) mainboard-listed Food Empire Holdings Limited, a leading food & beverage manufacturer, is pleased to announce 6.2% revenue growth in Q3 FY2005 to \$44.4 million on broad-based increase in Beverage sales across all key markets. Net Profit attributable to Shareholders amounted to \$4.1 million despite higher import costs into Russia.

Broad-based growth was driven by ongoing promotion of the Group’s strong product brand name and successful distribution network expansion. Russia recorded a 4.2% or \$1.1 million rise in revenue to \$27.1 million. Revenue from Eastern Europe & Central Asia improved 3.1% or \$0.4 million to \$14.7 million, while Others market delivered a 65.4% or \$1.1 million jump in revenue to \$2.7 million. Russia, Eastern Europe & Central Asia and Others markets constituted 60.9%, 33.0% and 6.1% of the Group Revenue respectively in Q3 FY2005.

Beverage sales rose 7.2% to \$40.8 million in Q3 FY2005 led by growing demand for the Group’s coffee-based products such as its flagship MacCoffee 3-in-1. Lower sales of frozen convenience food and confectionery products moderated Non-Beverage revenue from \$3.8 million in Q3 FY2004 to \$3.7 million in Q3 FY2005.

Net Profit attributable to Shareholders eased 8.6% from \$4.5 million in Q3 FY2004 to \$4.1 million in Q3 FY2005 due mainly to higher import and staff costs.

Mr. Tan Wang Cheow, the Chairman & Managing Director of the Company said, “Backed by our sound business fundamentals, we are pleased to have achieved another set of steady results despite a difficult operating environment. Our Group expects business conditions to be challenging for the rest of FY2005. Any government policy changes, foreign currency fluctuations as well as rising raw material costs will continue to be significant factors that would affect the Group’s performance.”

Mr. Tan elaborated, “We will continue to invest in brand building and distribution networks to increase our market share. The higher import costs of our coffee products into Russia will continue to impact our performance in Q4 FY2005. To mitigate the increase in import costs, our Group is in the process of setting up a factory in Russia. Barring unforeseen circumstances, the proposed factory is expected to commence operation in early 2006.”

This press release is to be read in conjunction with the financial results on SGXNET.

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About Food Empire Holdings Limited

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 offices (representative and liaison) in 18 countries including 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 and flavoured fruit teas. Food Empire also markets a refreshing range of confectionery, snack food such as dried calamari, potato crisps and apple chips and a delectable assortment of frozen convenience food that includes Asian delicacies.

Food Empire has more than 170 types of products under its own brands including MacCoffee, Klassno, FesAroma, Bésame, OrienBites, MacCandy, Zinties, Kracks, Tea Kravings and MacFood. 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. It has been ranked one of “The Most Valuable Singapore Brands” for two consecutive years in 2003 and 2004.

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

For further information, please contact:

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