



**For Immediate Release
November 8, 2006**

FOOD EMPIRE Q3 PROFIT SURGES 106%

9 MONTH PROFIT EXCEEDS 2005 FULL YEAR RESULT

	Q3 FY 2006 S\$'000	Q3 FY 2005 S\$'000	% Change	9 Months ended 30/9/2006	9 Months ended 30/9/2005	% Change
Revenue	58,772	44,429	32.3	163,061	126,963	28.4
Profit Before Tax	9,294	5,469	69.9	24,113	18,118	33.1
Profit Attributable to Shareholders	8,539	4,143	106.1	22,380	12,202	83.4
EPS - Fully Diluted (cents)	2.11	1.08	95.4	5.60	3.34	67.7

HIGHLIGHTS

- 9 month profit attributable to shareholders of S\$22.4 million exceeds 2005 full year profit of S\$20.6 million
- Strong revenue growth in all key markets including Russia, Ukraine and Kazakhstan
- Q3 FY2006 profit attributable to shareholders is doubled Q3 FY2005
- Placement shares strengthen balance sheet by S\$22.3 million
- Shareholders approve plan to secure Moscow warehouse and office premises

Singapore, November 8, 2006 - Mainboard listed Food Empire Holdings Limited (Group) – a leading food and beverage manufacturing company – today announced its Net Profit Attributable to shareholders for Q3 FY2006 was S\$8.5 million – a 106.1% increase on the corresponding quarter in 2005.

The Group has now recorded three consecutive quarters of profit growth. As a result, the Group's net profit attributable to shareholders for the nine months ended 30 September 2006 exceeds the 2005 full year profit. The Group's full year profit in 2005 was S\$20.6 million, compared to an impressive S\$22.4 million for the first nine months of this year.

Sales increased across all markets, especially the Group's key markets of Russia, Ukraine and Kazakhstan. Revenue increased by 32.3% from S\$44.4 million in Q3 FY2005 to S\$58.8 million in Q3 FY2006 due to strong sales of the Group's beverage products, especially those sold under the Group's flagship brand, MacCoffee.

The Group's balance sheet was significantly strengthened in Q3 FY2006 with the completion of the placement of 39.2 million shares at S\$0.57 to Universal Integrated Corporation Consumer Products Pte Ltd (UICCP). UICCP is wholly owned by the Salim group of companies, one of the largest conglomerates in Asia with interests in the food and beverage industry. The placement raised S\$22.3 million, which the Group will use for working capital and growing its business through new projects.

The Board of Directors also welcomed the approval of shareholders to secure a 50% interest in a warehouse complex and an office premises in Moscow. The warehouse facility houses the Group's new production facility giving the Group long-term stability and continuity of use. The approval of shareholders was received at an EGM held on November 6, 2006.

Geographical and Product Highlights

Sales to Russia grew by 24.8% to S\$33.8 million while the Eastern Europe and Central Asia market grew by 49.3% to S\$21.9 million. Sales to other markets increased by 14.7% to S\$3.1 million. The majority of the Group's revenue (57.5%) came from Russia. Eastern Europe and Central Asia is the second largest market (37.2%). Other markets contributed 5.3% of revenue.

Beverages continue to be the Group's core product, contributing 91.6% of total revenue. Beverage sales were strong across all key markets, with sales increasing by 32.0% to S\$53.8 million in Q3 FY2006, compared to S\$40.8 million in Q3 FY2005. Revenue from non-beverage products increased from S\$3.7 million in Q3 FY2005 to S\$4.9 million in Q3 FY2006.

Brand Building

The Group's flagship brand, MacCoffee, continues to hold a dominant market position in its three largest markets, Russia, Ukraine and Kazakhstan. The Group's portfolio of brands has been recognized by IE Singapore as among Singapore's most valuable, with an estimated brand value of S\$98.4 million.

The Most Valuable Brand Award confirms that Food Empire is one of the most successful brand building companies in Singapore. Since 1994 the Group's strategy has been to invest in its brands to increase sales and to secure future income streams.

Looking Ahead

The Group Chairman and Managing Director, Mr Tan Wang Cheow said he was very pleased with the strong performance across all key markets.

"For the remainder of the year, the Group will focus on aggressive advertising and marketing campaigns to coincide with the Northern hemisphere winter months. We will continue to focus on our branding activities to ensure an even greater number of consumers have the chance to enjoy our great tasting products," 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 company 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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