



For Immediate Release
February 22, 2007

ANOTHER YEAR OF RECORD

SALES & PROFIT FOR FOOD EMPIRE

- *Revenue up 27.2%, Net Profit up 30.4%*
- *Broad-based sales growth across all markets: Russia +17.8%, Eastern Europe & Central Asia +45.4%, Others +21.8%*
- *Sixth consecutive year of double digit revenue growth*

Singapore 22 February 2007 – Mainboard listed Food Empire Holdings Limited (“Food Empire” or “the Group”) today announced another record set of results for the year ended 31 December 2006.

Highlights

	FYE 31/12/2006 S\$'000	FYE 31/12/2005 S\$'000	% Change
Revenue	234,124	184,011	27.2
Profit Before Tax	29,892	24,416	22.4
Profit Attributable to Shareholders	26,859	20,602	30.4
- Net Profit Margin	11.5%	11.2%	
EPS - Fully Diluted (cents)	6.56	5.54	18.4
NAV per share (cents)	32.11	25.63	25.3

Group revenue rose by S\$50.1 million or 27.2% to S\$234.1 million. Net profit attributable to shareholders rose by 30.4% to S\$26.9 million compared to \$20.6 million in FY2005.

This year’s profit would have been even more impressive, if not for the fact that the FY2005 result included a one-off gain of \$3.4 million from the sale of a business.

Earnings per share on a fully diluted basis rose by 18.4% from 5.54 cents to 6.56 cents.

The Group finished the year with low gearing and a strong balance sheet with net assets of S\$138.8 million. Cash and bank balances increased by 111.1% to S\$36.3 million. Net Asset Value per share increased by 25.3% from 25.63 cents per share to 32.11 cents per share.

Revenue growth was strong across all markets with sales to Russia up 17.8%, Eastern Europe and Central Asia up 45.4% and other markets up 21.8%. This is the sixth consecutive year the Group has posted a double digit revenue increase.

Ukraine was the star performer where the Group's sophisticated branding activities continue to grow the base of loyal MacCoffee drinkers. As a result of these brand activities, sales to Ukraine increased by 53.4%.

The majority (55.8%) of sales came from the Group's largest market, Russia. The increased sales in Russia reflect the success of the Group's flagship MacCoffee brand and an increase in distribution points for the Group's products.

Revenue	FYE 31/12/2006 S\$'000	FYE 31/12/2005 S\$'000	% Change
Russia	130,737	110,987	17.8
Eastern Europe and Central Asia	89,115	61,306	45.4
Others	14,272	11,718	21.8
Total	234,124	184,011	27.2

In response to the higher costs of raw materials, the Group raised the price of its products. The strength of consumer loyalty to the Group's brands allowed these price adjustments to be implemented while increasing the overall sales volume.

Product Analysis

Beverages continue to generate the bulk of the Group's revenue with sales increasing by S\$47.3 million to S\$217.8 million.

Non-beverage sales increased by 20.6% due to increased demand for the Group's snack foods, marketed under the Kracks and MacFood brands.

Revenue	FYE 31/12/2006 S\$'000	FYE 31/12/2005 S\$'000	% Change
Beverage	217,785	170,468	27.8
Non-beverage	16,339	13,543	20.6
Total	234,124	184,011	27.2

Powerful Brands

Chairman and Managing Director, Mr Tan Wang Cheow said the strong financial results reflect the success of the Group's brand strategy.

"Our focus in 2006 was to increase the penetration and popularity of our products in the key markets where our MacCoffee brand has the dominant share. We did this through focused brand activities which build an association between our products and the lifestyle enjoyed by our customers."

"We are particularly pleased with the leap in sales to Ukraine. We have made a significant effort to grow sales in this market through a series of high-profile promotions, and our work is paying off," Mr Tan said.

Dividend

To reward shareholders, the Directors have proposed a total first and final dividend of 1.875 cents comprising 0.275 cents (less 18% tax) plus 1.60 cents (1 tier tax exempt) per ordinary share.

Looking Ahead

The Group will continue to explore opportunities to acquire companies that complement its existing activities.

The Group will also continue with its brand building activities and the expansion of its distribution network.

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

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