



For Immediate Release
February 27, 2008

FOOD EMPIRE'S PROFIT JUMPS 17.7% TO S\$31.6 MILLION

- *Revenue up by 18.3% to a record S\$276.9 million*
- *Strong sales growth in Russia, Ukraine, Kazakhstan and the CIS*
- *Seventh consecutive year of double digit revenue growth*

Singapore February 27, 2008 – Mainboard listed Food Empire Holdings Limited (“Food Empire” or “the Group”) today announced a record set of results for the year ended 31 December 2007.

Highlights

	FYE 31/12/2007 S\$'000	FYE 31/12/2006 S\$'000	% Change
Revenue	276,859	234,124	18.3
Profit After Tax and Minority Interests	31,602	26,859	17.7
EPS - Fully Diluted (cents)	7.15	6.56	9.0
NAV per share (cents)	35.78	32.11	11.4

Seven consecutive years of double digit revenue growth has seen Food Empire's revenue reached a record high of S\$276.9 million for the year ended 31 December 2007.

This increase of 18.3% or S\$42.7 million was the result of strong beverage sales in all the Group's key markets.

Against a backdrop of fluctuating and rising prices for raw materials, the Group delivered a 17.7% increase in profit after tax and minority interests – up by S\$4.7 million to S\$31.6 million.

Russia continued to supply the bulk of the Group's sales and grew strongly by 15.7%. Sales to Eastern Europe and Central Asia increased by 18.6%. In the final quarter of

2007, the Group launched newly designed packaging for its core products in Ukraine and Kazakhstan. The successful launch of the new design resulted in robust sales in the final quarter of the year.

The Group's other markets also enjoyed strong sales growth, reflecting the Group's strategy of steadily opening up its smaller markets while concentrating its efforts on the core markets which contributed the bulk of its revenue.

	FYE 31/12/2007 S\$'000	FYE 31/12/2006 S\$'000	% Change	% of Total Revenue
Russia	151,311	130,737	15.7	54.7
Eastern Europe & Central Asia	105,669	89,115	18.6	38.2
Others	19,879	14,272	39.3	7.1
Total	276,859	234,124	18.3	100.0

The Group finished the year with a strong balance sheet and net assets of S\$156.8 million. Net Asset Value per share increased from 32.11 cents to 35.78 cents.

Chairman and Managing Director, Mr Tan Wang Cheow said that a seventh year of double digit sales growth confirmed the success of the Group's brand building activities.

"Our branding and promotional activities continue to drive the growth of our business. Our flagship brand – MacCoffee – holds a dominant market share in Russia, Ukraine and Kazakhstan. International branding consultants, *Brand Finance*, recently valued our MacCoffee, Petrovskaya Sloboda and Kracks brands as having a combined value of S\$182 million."

"Food Empire operates in some of the most dynamic and fastest growing consumer markets in the world. Our key markets of Russia, Eastern Europe and Central Asia have a combined population base of over 250 million consumers who are becoming increasingly more affluent. And as their purchasing power increases, the popularity of coffee drinking continues to rise."

Proposed Bonus Issue and Dividend

To reward shareholders, the Directors have proposed a 1-for-5 bonus share issue as well as first and final dividend of 1.9 cents (tax exempt) per ordinary share.

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 overseas offices established worldwide 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, 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" at the annual national brand award organised by IE Singapore since 2003. MacCoffee was also ranked one of "The Strongest Singapore Brands" and was conferred SuperBrand status in Russia since 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. Food Empire is named "Asia's Best under a Billion" in the prestigious Forbes list.

For more information on Food Empire, please visit <http://www.foodempire.com>

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Contact:

Matthew Shaw
Rubicon Consulting
+65 6465 3029
+65 9851 9340
matthew@rubicon.com.sg

Daphne Wan
Food Empire Holdings Limited
+65 6744 8911
+65 6744 2116
daphne@foodempire.com