Food Empire

FY 2006 Financial Results Briefing

February 26, 2007

Agenda

- Part 1 – Mr Oon Peng Heng
  - Company Overview
  - Performance Review and Dividend
  - Russian Factory
- Part 2 – Mr Tan Wang Cheow
  - Brand Building Activities
  - Strategies for 2007
- Questions

Food Empire

Company Overview

- Food & beverage company listed in Singapore since 2000
- Specialist in instant 3-in-1 coffee - sold under own proprietary brands
- Exports to emerging markets such as Russia, Eastern Europe, Central Asia and IndoChina
- Manufacturing capacity: 4 factories - Singapore, Vietnam , Malaysia and Russia

Performance Review
& Dividend

Food Empire

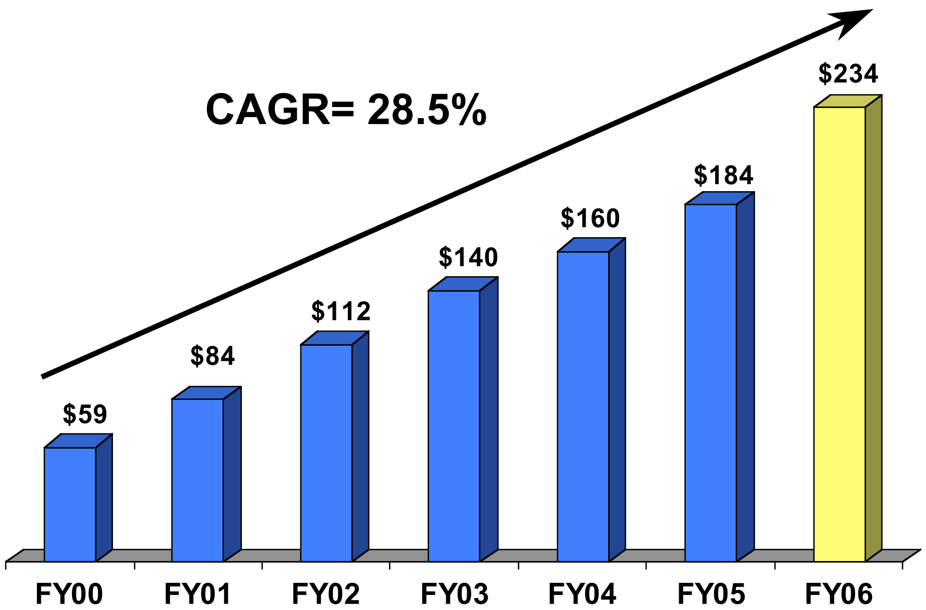
Highlights

	FYE 31/12/2006 S$ million	FYE 31/12/2005 S$ million	% Change
Revenue	234.1	184.0	27.2
Profit Before Tax	29.9	24.4	22.4
Profit Attributable to Shareholders	26.9	20.6	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

Revenue

- Revenue rose 27.2% to S$234.1m
- Broad-based growth across all market segments
- 6 consecutive years of double digit revenue growth

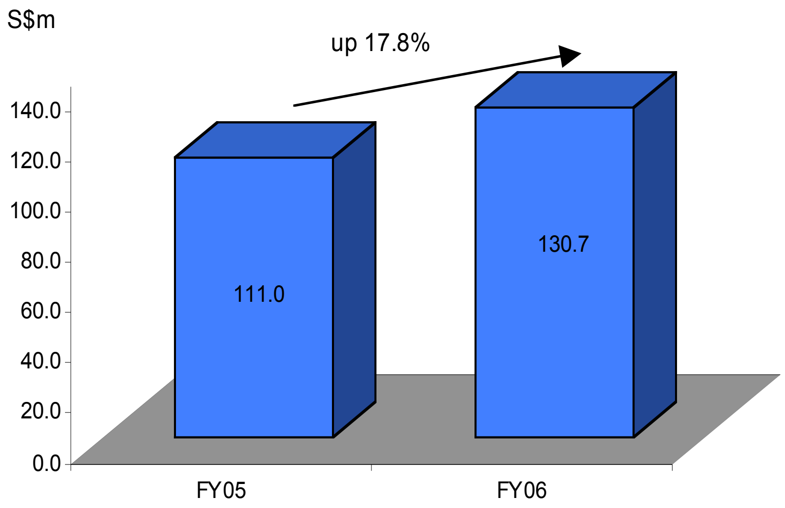
S$'million



Geographical Analysis

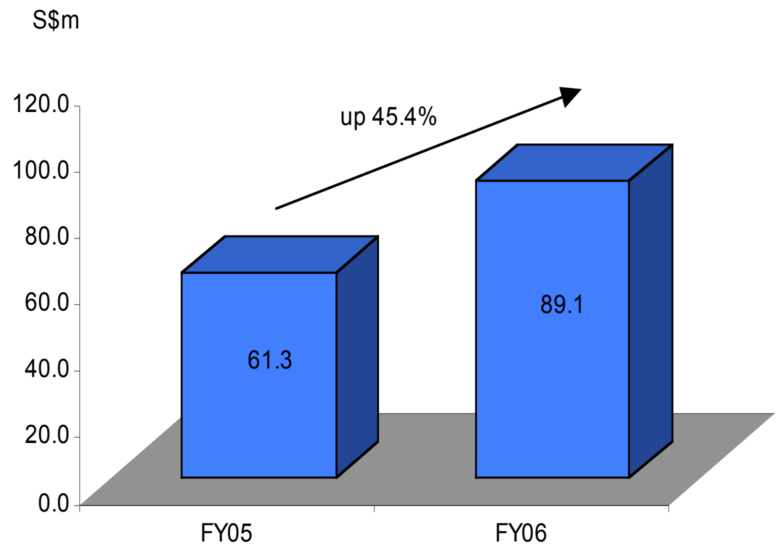
RUSSIA

- 55.8% of Group Revenue
- Revenue rose 17.8% to S$130.7m
- Expansion of distribution networks



EASTERN EUROPE & CENTRAL ASIA

- 38.1% of Group Revenue
- Revenue rose 45.4% to S$89.1m
- Focused brand building activities

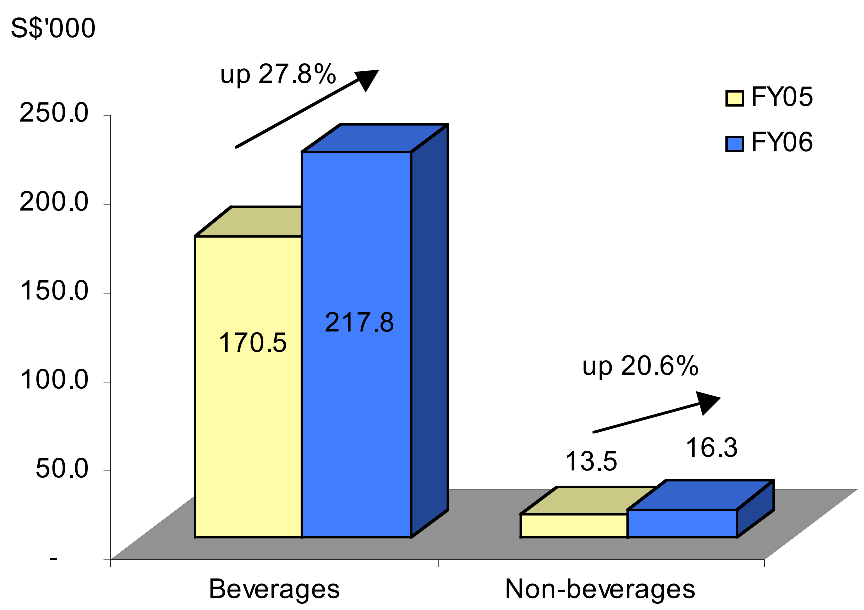


Revenue from other markets grew 21.8% to S$14.3m

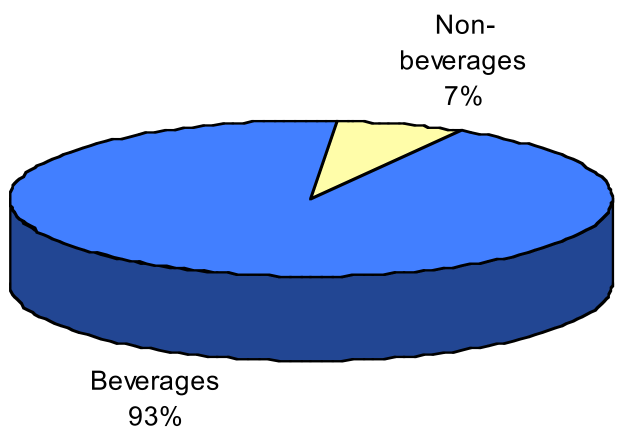
Product Analysis

- Beverages grew 27.8% to S$217.8m due to:
  - Demand for 3 in 1 coffee mix products continue to grow
  - Positive consumer response to chocolate beverage products
- Non-beverage increased 20.6% to S$16.3m due to higher demand for snack foods under the Kracks and MacFood brands

Product Revenue

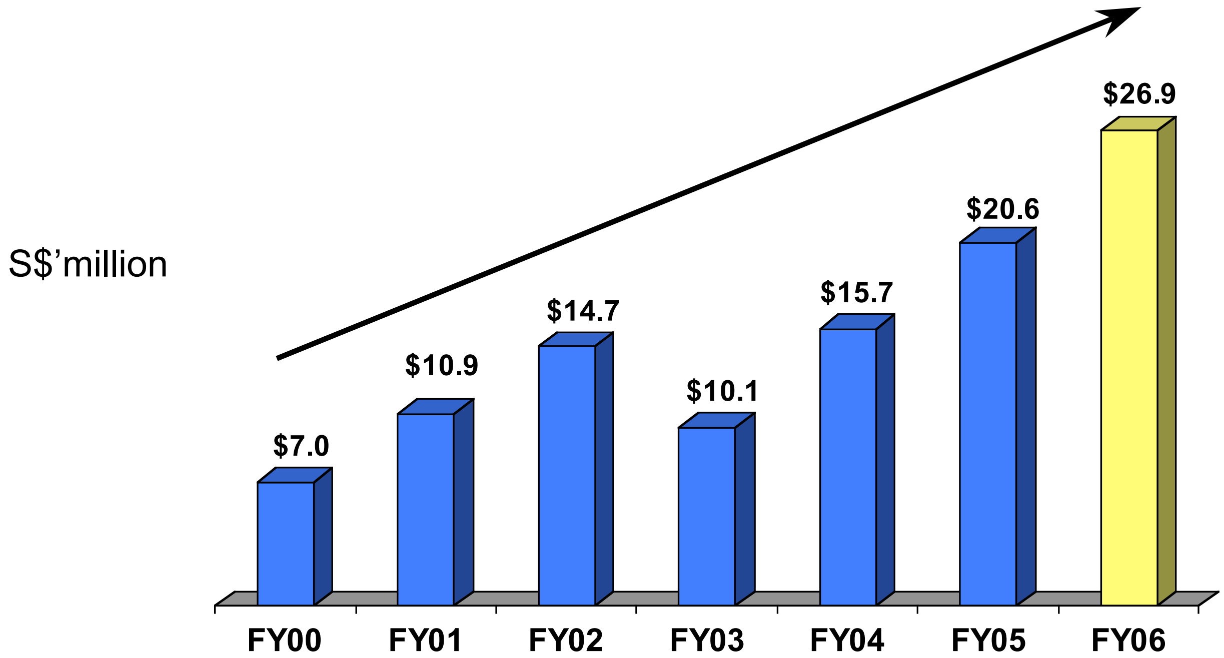


Product Revenue Breakdown %



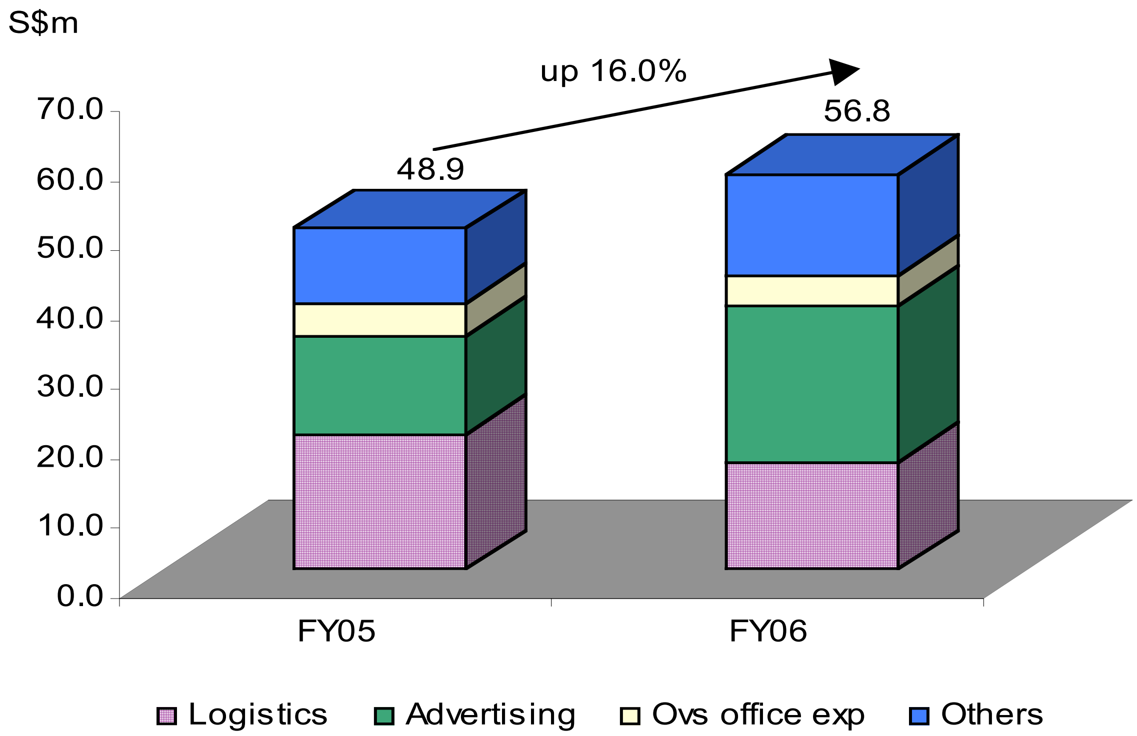
Profit

- Profit attributable to shareholders up 30.4% to S$26.9 million
- Brand loyalty allowed price increases while increasing overall sales volume
- Profitable every year since IPO in 2000



Operating Expenses

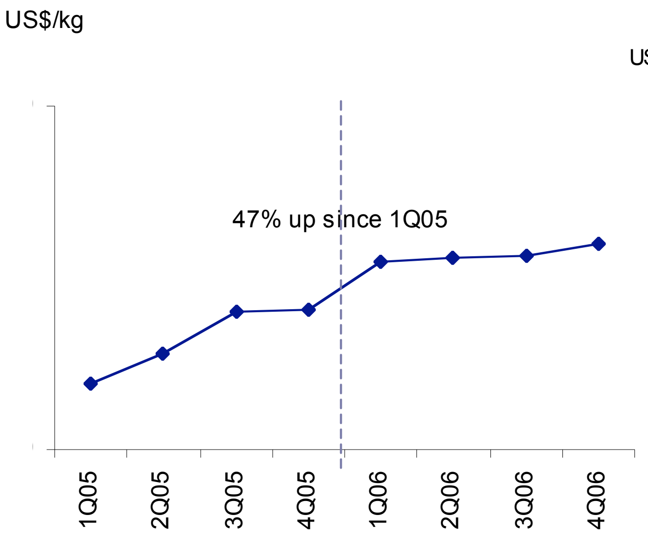
- Other operating expenses rose 16.0% to S$56.7m as result of increased branding activities
- Group benefited by more than S$1 million due to reduction in logistics costs primarily due to manufacturing in Russia



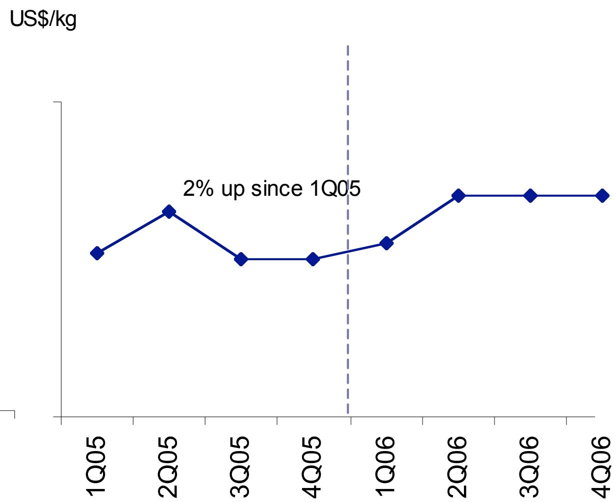
Raw Materials

Generally higher cost of raw materials

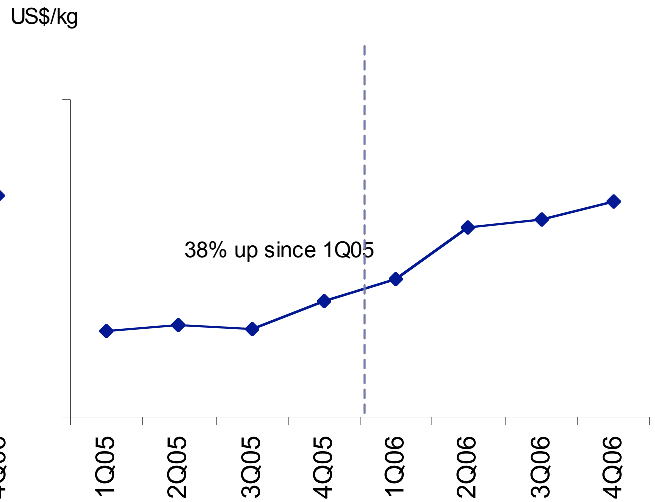
Coffee



Creamer



Sugar



Source: Management

Financial Ratios

	FY06	FY05
Liquidity (times)		
Current ratio	4.4	3.6
Quick ratio	3.2	2.2
Gearing (times)		
Debt/Equity ratio	0.1	0.0
Review of performance		
Receivables (days)	91	69
Payables (days)	43	49
Inventory (days)	56	73
Cash conversion cycle (days)	104	93
Return on Equity	19.4%	20.7%
Return on Assets	15.0%	16.0%

Proposed Dividends

- Directors have proposed a total first and final dividend **1.875 cents** per ordinary share comprising:
  - 0.275 cents (less 18% tax)
  - 1.60 cents (1 tier tax exempt)

Food Empire

Russian Factory

- Reduced importation and freight costs
- Acquired a 50% ownership of factory land to:
  - ensure continuity of production
  - provide for future expansion
  - provide a partial hedge against rising rents in Moscow
- Rapid establishment demonstrates our effectiveness at doing business in Russia