



For Immediate Release  
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## FOOD EMPIRE'S FULL YEAR SALES UP 20.5%

*Profit of US\$21.1 million - maintained at 2007 levels despite economic downturn*

Singapore February 24, 2009 – Mainboard listed Food Empire Holdings Limited (“Food Empire” or “the Group”) today released its results for the year ended 31 December 2008.

### Highlights

	FYE 31/12/2008 US\$'000	FYE 31/12/2007 US\$'000	% Change
Revenue	222,315	184,443	20.5
Profit After Tax	21,127	21,053	0.3
EPS - Fully Diluted (cents)	3.98	3.97	0.3
NAV per share (cents)	23.18	20.74	11.8

This is the eighth year of double digit revenue growth delivered by the Group. Despite the economic downturn, profit after tax was US\$21.1 million, slightly exceeding the profit achieved in FY2007.

### Q4 2008

Both the Group's profit and revenue in the last three months of the year were affected by the global economic downturn as the traditionally strong final quarter did not materialise. In response to the changed economic circumstances, management took swift action including aggressively reviewing the credit status of all its distributors, the collection of outstanding debts and cost rationalising to ensure the business remained on a strong financial footing.

## **FY2008**

During the first three quarters of FY2008, the Group's revenue in all its key markets grew strongly, driven by increased consumer demand for the Group's products despite price increases in response to rising commodity prices. The Group's branded products, particularly the MacCoffee brand, continued to register improved sales due to successful branding activities and the expansion of the Group's distribution network. The Group's response to the financial crisis resulted in a healthy balance sheet of US\$122.6 million in net assets including US\$15.5 million in cash and bank balances.

## **Outlook**

In preparation for the ongoing slowdown, the Group has taken swift action to rein in costs, secure its credit facilities and to reduce outstanding receivables. This has strengthened the financial position of the Group as it enters 2009.

The currencies of the Group's three biggest markets – Russia, Ukraine and Kazakhstan have all depreciated and remain very volatile. This is expected to have a significant impact on the Group's performance in 2009.

Chairman and Managing Director, Mr Tan Wang Cheow said the strengthening of the Group's balance sheet was an important strategy to prepare the Group for a challenging 2009.

"While economic circumstances will be challenging, the Group understands the need to protect the strength and appeal of its brands, and so will continue with its brand building activities and the expansion of its distribution network," Mr Tan said.

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

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### ***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.