RECORD REVENUE SEES POST TAX PROFITS RISE BY 36%

Group generates US$27 million in cashflow from operations

February 27, 2012 [Singapore] – Mainboard listed Food Empire Holdings Limited (the Group) – an international food and beverage company – today announced its full year financial results for 2012.

The Group reported record revenue of US$237.7 million for FY 2012, an increase of 5.3% compared to the previous year. Sales growth was recorded in all the Group's three regions – Russia (5.8%), Eastern Europe and Central Asia (4.5%) and in Other Markets (5.2%).

The Group's profit after tax jumped from US$14.8 million to US$20.2 million – an increase of 36.6%.

The improvement in profitability was due to increased sales and successful brand building.

The Group finished the year with a strong balance sheet with net assets of US$161.4 million, including US$46.6 million in cash and cash equivalents.

The Group's cashflow improved substantially, with net cash generated from operations of US$27.0 million in 2012 compared to US$5.9 million in 2011.

The Group Chairman, Mr Tan Wang Cheow said: “We will continue to focus on developing new emerging markets and finding ways to win over customers through our innovative brand building and promotional activities.”

“While stable prices for coffee, sugar and creamer would be helpful, we are pursuing several upstream green-field opportunities that will mitigate the uncertainties of commodity prices in the longer term,” Mr Tan said.

The Board is recommending a first and final dividend of 1.231 Singapore cents per share for approval by shareholders at the forthcoming annual general meeting.

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About Food Empire Holdings

SGX Mainboard-listed Food Empire Holdings (Food Empire) is global branding and manufacturing company in the food and beverage sector. Its products include instant beverage products, frozen convenience food, confectionery and snack food.

Food Empire's products are exported to over 60 countries in markets such as Russia, Ukraine, Kazakhstan, Central Asia, China, Indochina, the Middle East, Mongolia and the US. The Group has 17 offices (representative and liaison) - Russia, Ukraine, Kazakhstan, Uzbekistan, Iran, Poland, UAE, Mongolia and Vietnam. The Group operates five manufacturing facilities in Singapore, Russia, Ukraine, Malaysia and Vietnam.

Food Empire's products include a wide variety of beverages including regular and flavoured coffee mixes and cappuccinos, chocolate drinks and flavoured fruit teas. It also markets a range of food products including instant breakfast cereal, confectionery, snack products and frozen foods.

Food Empire's strength lies in its proprietary brands - including MacCoffee, Petrovskaya Sloboda, Klassno, Hyson, OrienBites and Kracks. MacCoffee - the Group's flagship brand - has been consistently ranked as the leading 3-in1 instant coffee brand in the Group's core market of Russia, Ukraine and Kazakhstan. The Group employs sophisticated brand building activities, localized to match the flavor of the local markets in which its products are sold.

Since its public listing in 2000, Food Empire has won numerous accolades including being selected as one of the "Most Valuable Singapore Brands", ranked as one of "The Strongest Singapore Brands" and has been named one of the "Best under a Billion" companies in Asia by Forbes Magazine.