For Immediate Release

FOOD EMPIRE Q4 REVENUE JUMPS 58.2% COMPARED TO Q3

- **Improving economic conditions in all the Group's key markets**
- **Inventory levels down by 54.7%**
- **Trade receivables down 39.9%**
- **Bank borrowings down by 65.0%**
- **Cash and bank balances up by 294.5%**

February 26, 2010 [Singapore] – Mainboard listed Food Empire Holdings Limited (the Group) – a global branding company in the food and beverage sector – today announced its financial results for the year ended 31 December 2009.

The Group finished the year with a strong rebound in demand for its products resulting in a 58.2% increase in revenue to $48.5m in Q4 2009 compared to the preceding Q3 09. Compared to Q3 2009, revenue from Russia rose by 63.8% to $25.9m, in Eastern Europe and Central Asia by 68.4% to $17.1m and in other markets by 17.4% to $5.5m.

	Q4 09 US$'000	Q3 09 US$'000	% Change
Russia	25,854	15,784	63.8%
Eastern Europe & Central Asia	17,094	10,148	68.4%
Others	5,546	4,724	17.4%
Total	48,494	30,656	58.2%

The result confirms the strength of the improvement in trading conditions in the Group's key markets – a trend which first began in Q3 2009.

For the full year, the Group's revenue fell by 39.3% to US$134 million and profit before tax was down from US$23.2 million in 2008 to US$3.2 million in 2009. Two items impacted the Group's profitability - a US$706k impairment in goodwill and a US$1.7

million impairment in brand value. Excluding these items, the Group's profit before tax would have been US$5.6 million.

The Group ended the year with a substantially stronger balance sheet and improved cashflow as a result of the steps taken in response to the global economic crisis. Compared to the end of 2008, inventory levels were down by 54.7%, trade receivables were down 39.9% and bank borrowings were down by 65.0%.

As at 31 December 2009, the Group held net assets of US$123.7 million. This included US$61.3 million in cash and bank balances – an increase by 294.5%.

The Group Chairman and Managing Director, Mr Tan Wang Cheow said 2009 had been tough, but the Group had ended the year strongly.

"The increased demand in the final quarter is encouraging, and barring another economic shock, we expect revenue and profitability to improve in 2010."

"Our efforts to strengthen our balance sheet has left the company in a strong position to explore new opportunities for growth, including the possibility of further acquisitions both upstream and downstream." Mr Tan said.

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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 18 offices (representative and liaison) - Russia, Ukraine, Kazakhstan, Uzbekistan, Iran, Poland, Turkey, Belgium, Bahrain, Mongolia and Vietnam. The Group operates four manufacturing facilities in Singapore, Russia, 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.