



FOR IMMEDIATE RELEASE:

Food Empire's New Russian Plant Opened by Defence Minister

Singapore, 27 September 2006 – Mainboard-listed Food Empire Holdings (“Food Empire” or “the Group”) - a leading food and beverage group – today celebrated the Official Opening of its new Moscow Plant. Food Empire is best known for its MacCoffee range of instant coffee products which are sold in Russia, Eastern Europe and other emerging markets.

The Opening Ceremony was officiated by Singapore’s Minister of Defence, Mr Teo Chee Hean, in the presence of the Board of Directors and management of Food Empire Holdings.

Speaking at the launch, Mr Teo said, “I am glad to see that a Singapore company has managed to establish itself firmly in Russia. There has been a rapid growth in the logistics and warehousing sectors in Russia, fuelled by the country’s economic growth and increase in consumer spending. I am sure that the opening of the facility will help Food Empire become one of the first movers in Russia’s dynamic logistics industry.”

Mr Tan Wang Cheow, Food Empire’s Group Chairman and Managing Director, said Food Empire started exporting 3-in-1 instant coffee products to Russia, Poland and Hungary in the 1990s when these countries were emerging from communism and their markets had a huge appetite for our products.

“As a first mover in the Russian market we were able to establish a firm foothold with our flagship MacCoffee range of 3 in 1 products. MacCoffee is now a household name in Russia and is the best selling 3-in-1 instant coffee in the market. Our experience in Russia gave us the confidence to enter other Eastern European markets such as Ukraine. To date, we have sold more than 2 billion servings of coffee around the world,” Mr Tan said.

Mr Chong Lit Cheong, CEO of IE Singapore also congratulated Food Empire on its official plant opening, “Food Empire’s success in Russia is an example for other Singaporean firms to follow. Opportunities exist for other Singaporean firms to enter and succeed in this market. The economic ties between Singapore and Russia are improving with trade increasing by 12.1% in 2005 to S\$1.3 billion.”

Singapore products embody functional and design packaging qualities. As Singapore F&B companies get increasingly creative and resourceful in seeking commercial opportunities in the Russian market, we stand in good stead to reap the mind share of the Russian retailers, distributors and consumers. Our companies should do well to tap on this growing market and expand their customer base,” said Mr Chong.

The plant is Food Empire’s first outside of Asia, and will supply products directly to the Russian market, resulting in substantial savings through the reduction of import tariffs and transport costs.

The plant spans an area of 7,800 square meters and commenced operations in the first quarter of 2006. In addition to the cost of securing the premises, the Group has injected US\$3.5 million into equipment and machinery in the plant.

The plant has three production lines – all of which are now fully operational - and employs over 350 people mainly from the Dmitrov region. The plant is capable of producing 100 million sachets of coffee per month.

The Russian market represented approximately 60% of the Group's revenue in the 1H2006. The new plant will help accelerate the Group's growth in Russia and provide the ability to expand production to meet future demand.

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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 50 countries in markets such as Russia, Eastern Europe, Central Asia, China, Indochina 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'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 200 types of products under its own brands including MacCoffee, Klassno, Hyson, FesAroma, Bésame, 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 Group has won numerous accolades and awards including being ranked one of "The Most Valuable Singapore Brands" in 2003, 2004 and 2005 at the national brand award organised by IE Singapore. MacCoffee was ranked one of "The Strongest Singapore Brands".

For more information on Food Empire, please visit www.foodempire.com.