



FOR IMMEDIATE RELEASE:

SALIM GROUP SUBSIDIARY ACQUIRES 21.6% STAKE IN FOOD EMPIRE

Partnership offers new opportunities and expanded market reach

Singapore, 22 August 2006 – Mainboard-listed Food Empire Holdings (“Food Empire” or “the Group”), a leading food and beverage group best known for its MacCoffee range of instant coffee products which are sold in Russia, Eastern Europe and other emerging markets, today announced it had placed 39,200,000 shares at S\$0.57 to Universal Integrated Corporation Consumer Products Pte Ltd (“UICCP”). The placement is equivalent to approximately 10% of the Group’s existing share capital. Substantial shareholders of Food Empire have also agreed to sell an additional 54,000,000 shares to UICCP. At the completion of the transactions, UICCP will be Food Empire’s second largest shareholder with a 21.6% stake in the Group.

UICCP is a company incorporated in Singapore and is ultimately owned by the Salim Group. The Salim Group is one of the largest conglomerates in Asia with interests in the food processing industry including, among other areas, the manufacturing of instant noodles.

Mr Tan Wang Cheow, Food Empire’s Group Chairman and Managing Director, said Food Empire will benefit from the extensive experience, network and international reputation of the Salim Group of companies.

“There are strong synergies between Food Empire and the Salim Group. Food Empire has extensive experience in the consumer markets of Russia and other countries in the Commonwealth of Independent States, all of which are enjoying strong economic development. The Salim Group has a wide and expanding network across various food industries in Indonesia, the Middle East, Thailand and Malaysia. This should give rise to exciting business opportunities.”

The placement price of S\$0.57 represents a 5.6% premium over the company’s share price at the close of trading on 21st August, 2006 (S\$0.54), and an 18.8% premium to the 3-month volume weighted average share price of S\$0.48.

The placement of new shares by the Company will raise more than S\$22.3 million which will be used by Food Empire for working capital and to grow its business through new projects.

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Contact:

Matthew Shaw
Rubicon Consulting
+65 6465 3029
+65 9851 9340
matthew@rubicon.com.sg

Daphne Wan
Food Empire Holdings Limited
+65 6744 8911
+65 6744 2116
daphne@foodempire.com

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, OrientBites, 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.

About Universal Integrated Corporation Consumer Products Pte Ltd

Universal Integrated Corporation Consumer Products Pte Ltd (“UICCP” and formerly known as UIC Consumer Products Pte Ltd) is a company incorporated in Singapore and ultimately owned by the Salim Group.

UICCP has, over the past 40 years, developed an attractive portfolio of household cleaning and fabric care products which are marketed under well-known brand names such as “UIC Big Value”, “SPIN”, “TOP-LOAD SPIN” and “SOFSIL”. UICCP’s household care products are primarily sold in Singapore, Malaysia, Philippines, Brunei, Maldives and Papua New Guinea.

Since the Salim Group’s acquisition of UICCP in 2004, UICCP has significantly expanded and diversified its business to include the manufacturing and distribution of food products such as instant noodles, ice cream, shortening, milk and dairy. These products are sold in Indonesia, the Middle East, Thailand and Malaysia.

NM Rothschild & Sons (Singapore) Limited is acting as UICCP’s financial adviser in this transaction.