

FOOD EMPIRE HOLDINGS LIMITED
(Co Registration No: 200001282G)

Third Quarter Financial Statement and Dividend Announcement for The Period ended 30 September 2012

PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3Q 12	3Q 11	Increase/ (Decrease)	9M 12	9M 11	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	58,485	55,418	5.5	169,190	162,488	4.1
Changes in inventories of finished goods	6,408	2,991	} 0.4	10,612	3,304	} -1.5
Raw materials and consumables used	(35,371)	(31,829)				
Staff costs	(7,206)	(6,471)	11.4	(20,839)	(17,953)	16.1
Depreciation of property, plant and equipment	(827)	(254)	225.6	(1,908)	(1,177)	62.1
Depreciation of investment properties	(11)	(11)	0.0	(31)	(31)	0.0
Foreign exchange gain/(loss)	289	(375)	N.M.	131	(529)	N.M.
Other operating expenses	(13,981)	(14,092)	-0.8	(40,754)	(39,857)	2.3
Finance costs	(67)	(22)	204.5	(204)	(63)	223.8
Other income (Note 1)	94	175	-46.3	506	963	-47.5
Share of profit/(loss) of associates	558	(963)	N.M.	1,094	(374)	N.M.
Profit before taxation	8,371	4,567	83.3	17,144	12,017	42.7
Taxation (Note 2)	(333)	(360)	-7.5	(435)	(849)	-48.8
Profit after taxation	8,038	4,207	91.1	16,709	11,168	49.6
Profit attributable to:						
Equity shareholders of the Company	8,080	4,253	90.0	16,856	11,230	50.1
Non-controlling interest	(42)	(46)	-8.7	(147)	(62)	137.1
	8,038	4,207	91.1	16,709	11,168	49.6

Notes:

1. Included in other income are as follows:

	Group			Group		
	3Q 12	3Q 11	Increase/ (Decrease)	9M 12	9M 11	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	77	80	-3.8	273	210	30.0
Gain from disposal of assets classified as held for sale	-	-	N.M.	-	357	-100.0

2. Included in the taxation is as follows:

	Group			Group		
	3Q 12	3Q 11	Increase/ (Decrease)	9M 12	9M 11	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
(Under)/over provision for the prior year	(8)	-	N.M.	420	-	N.M.

N.M. denotes not meaningful.

1(a)(ii) Statement of group comprehensive income

	Group			Group		
	3Q 12 US\$'000	3Q 11 US\$'000	Increase/ (Decrease) %	9M 12 US\$'000	9M 11 US\$'000	Increase/ (Decrease) %
Profit net of tax	8,038	4,207	91.1	16,709	11,168	49.6
Other comprehensive income :						
Foreign currency translation gain/(loss)	461	(1,311)	N.M.	615	(803)	N.M.
Share of other comprehensive profit/(loss) of associates	445	(99)	N.M.	(544)	(102)	433.3
Other comprehensive income/(loss) for the period, net of tax	906	(1,410)	N.M.	71	(905)	N.M.
Total comprehensive income for the period	8,944	2,797	219.8	16,780	10,263	63.5
Total comprehensive income attributable to:						
Equity shareholders of the Company	8,986	2,843	216.1	16,927	10,325	63.9
Non-controlling interest	(42)	(46)	-8.7	(147)	(62)	137.1
	8,944	2,797	219.8	16,780	10,263	63.5

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000
Non-Current Assets				
Property, plant and equipment	31,764	23,857	198	221
Investment properties	11,388	10,765	-	-
Investments in subsidiaries	-	-	44,545	44,545
Investments in associates	10,539	9,988	-	-
Intangible assets (Note 1 & 2)	14,514	13,343	-	-
Amount due from an associate	2,600	2,600	-	-
Deferred tax assets	542	142	-	-
	71,347	60,695	44,743	44,766
Current Assets				
Cash and cash equivalents	42,857	35,148	55	116
Trade receivables	57,265	63,050	-	-
Deferred expenses	192	400	-	-
Prepaid operating expenses and other debtors	4,018	2,173	65	29
Other receivables	828	2,435	-	-
Amounts due from subsidiaries (non-trade)	-	-	428	5,889
Amounts due from associates (non-trade)	485	514	-	-
Inventories	32,870	22,257	-	-
	138,515	125,977	548	6,034
Current Liabilities				
Trade payables and accruals	(31,462)	(25,672)	(411)	(1,043)
Finance lease creditors	(7)	(9)	-	-
Interest-bearing loans and borrowings	(1,120)	(1,076)	-	-
Other payables	(7,142)	(719)	-	-
Amount due to subsidiaries (non-trade)	-	-	(22)	(21)
Provision for taxation	(600)	(1,662)	-	-
	(40,331)	(29,138)	(433)	(1,064)
Net Current Assets	98,184	96,839	115	4,970
Non-Current Liabilities				
Finance lease creditors	(46)	(8)	-	-
Interest-bearing loans and borrowings	(12,030)	(12,310)	-	-
Deferred tax liabilities	(363)	(364)	-	-
	(12,439)	(12,682)	-	-
Net Assets	157,092	144,852	44,858	49,736
Equity				
Share capital	39,781	39,751	39,781	39,751
Treasury shares	(317)	-	(317)	-
Reserves	117,524	104,850	5,394	9,985
	156,988	144,601	44,858	49,736
Non-controlling interest	104	251	-	-
Total Equity	157,092	144,852	44,858	49,736

Notes:

1. The increase in Intangible assets of US\$163,000 is due to the acquisition of Ukraine subsidiary, FES UKR, computed based on preliminary purchase price allocation (PPA) exercise. Management has 12 months from date of acquisition to finalise the PPA.
2. The increase in Intangible assets of US\$1,008,000 is due to the acquisition of Ukraine subsidiary, UAI 2005, computed based on preliminary PPA exercise. Management has 12 months from date of acquisition to finalise the PPA.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 Sep 2012		As at 31 Dec 2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(7)	-	(9)	-
Interest-bearing loans and borrowings	(1,120)	-	(1,076)	-
Total	(1,127)	-	(1,085)	-

Amount repayable after one year

	As at 30 Sep 2012		As at 31 Dec 2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Finance lease creditors	(46)	-	(8)	-
Interest-bearing loans and borrowings	(12,030)	-	(12,310)	-
Total	(12,076)	-	(12,318)	-

Details of any collateral

As at 31 December 2011 and 30 September 2012, the interest bearing loans and borrowings were secured by a charge over the related freehold properties owned by one of the subsidiaries.

As at 31 December 2011 and 30 September 2012, the finance lease liabilities were secured by charge over the related lease vehicles held by two of the subsidiaries.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3Q 12	3Q 11	9M 12	9M 11
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities:				
Profit from operations before taxation	8,371	4,567	17,144	12,017
Adjustment for :				
Depreciation of property, plant and equipment	827	254	1,908	1,177
Depreciation of investment properties	11	11	31	31
Gain on disposal of assets classified as held for sale	-	-	-	(357)
Loss / (gain) on disposal of property, plant and equipment	9	(12)	(15)	45
Interest income	(77)	(80)	(273)	(210)
Interest expenses	67	22	204	63
Exchange realignment	79	(551)	126	(634)
Share of (profit) / loss of associates	(558)	963	(1,094)	374
Impairment for doubtful receivables	8	27	78	284
Write down of inventories	21	220	46	305
Write back of impairment loss on property, plant and equipment	-	-	(85)	-
Value of employee services received for issue of share options	84	103	249	288
Negative goodwill	(7)	-	(7)	-
Operating profit before working capital changes	8,835	5,524	18,312	13,383
Decrease/(increase) in trade and other receivables	1,270	(2,938)	5,878	(13,708)
(Increase)/decrease in inventories	(6,353)	(3,211)	(8,202)	(3,608)
Increase/(decrease) in trade and other payables	3,893	4,542	3,835	(5,053)
Cash flows generated from/(used in) operations	7,645	3,917	19,823	(8,986)
Income taxes paid	(830)	(177)	(1,905)	(369)
Net cash flows generated from/(used in) operating activities	6,815	3,740	17,918	(9,355)
Cash flows from investing activities				
Interest income received	77	-	273	210
Purchase of property, plant and equipment	(3,480)	(542)	(4,716)	(2,281)
Purchase of investment properties	-	-	-	(13)
Proceeds from disposal of property, plant and equipment	97	166	197	191
Proceeds from disposal of assets classified as held for sale	-	-	-	669
Dividends income from an associate	-	38	-	38
Subscription for debentures from an associate	-	-	-	8
Loans provided to associate	-	-	-	(1,300)
Net cash (outflow)/inflow on acquisition of a subsidiaries	(41)	-	29	-
Net cash flows used in investing activities	(3,347)	(338)	(4,217)	(2,478)
Cash flows from financing activities				
Interest expenses paid	(67)	(346)	(204)	(63)
Proceeds from issuance of shares	-	44	30	76
Purchase of treasury shares	(153)	-	(317)	-
Dividends paid to shareholders of the Company	-	-	(4,504)	(4,065)
Capital injection from non-controlling interest of a subsidiary	-	144	-	184
Repayment of interest-bearing loans and borrowings	(278)	(477)	(828)	(524)
Proceeds from interest-bearing loans and borrowings	-	-	-	1,103
Repayment of obligations under finance leases	(4)	-	(8)	-
Net cash flows used in financing activities	(502)	(635)	(5,831)	(3,289)
Net increase/(decrease) in cash and cash equivalents	2,966	2,767	7,870	(15,122)
Effect of exchange rate changes on cash and cash equivalents	(139)	353	(161)	74
Cash and cash equivalents at beginning of the period	40,030	23,502	35,148	41,670
Cash and cash equivalents at end of the period	42,857	26,622	42,857	26,622

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group – 3Q

	Attributable to equity holders of the Company									
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Asset revaluation reserve US\$'000	Share-based payment reserve US\$'000	Fair value adjustment reserve US\$'000	Accumulated profits US\$'000	Total US\$'000	Non- controlling interest US\$'000	Total equity US\$'000
Balance as at 1 July 12	39,781	(164)	15	60	991	-	107,387	148,070	146	148,216
Profit for the period	-	-	-	-	-	-	8,080	8,080	(42)	8,038
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	461	-	-	-	-	461	-	461
Share of other comprehensive income of associates	-	-	445	-	-	-	-	445	-	445
Total comprehensive income/(loss) for the period	-	-	906	-	-	-	8,080	8,986	(42)	8,944
Value of employee services received for issue of share options	-	-	-	-	85	-	-	85	-	85
Purchase of treasury shares	-	(153)	-	-	-	-	-	(153)	-	(153)
Balance as at 30 September 12	39,781	(317)	921	60	1,076	-	115,467	156,988	104	157,092
Balance as at 1 July 11	39,707	-	1,806	60	711	(76)	95,596	137,804	428	138,232
Profit for the period	-	-	-	-	-	-	4,253	4,253	(46)	4,207
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	(1,311)	-	-	-	-	(1,311)	-	(1,311)
Share of other comprehensive loss of associates	-	-	(99)	-	-	-	-	(99)	-	(99)
Total comprehensive (loss)/income for the period	-	-	(1,410)	-	-	-	4,253	2,843	(46)	2,797
Value of employee services received for issue of share options	-	-	-	-	103	-	-	103	-	103
Issuance of new shares	44	-	-	-	-	-	-	44	-	44
Balance as at 30 September 11	39,751	-	396	60	814	(76)	99,849	140,794	382	141,176

The Group – 9M

	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Foreign currency translation reserve	Asset revaluation reserve	Share-based payment reserve	Fair value adjustment reserve	Accumulated profits	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 12	39,751	-	850	60	825	-	103,115	144,601	251	144,852
Profit for the period	-	-	-	-	-	-	16,856	16,856	(147)	16,709
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	615	-	-	-	-	615	-	615
Share of other comprehensive loss of associates	-	-	(544)	-	-	-	-	(544)	-	(544)
Total comprehensive income/(loss) for the period	-	-	71	-	-	-	16,856	16,927	(147)	16,780
Value of employee services received for issue of share options	-	-	-	-	251	-	-	251	-	251
Issuance of new shares	30	-	-	-	-	-	-	30	-	30
Dividends paid to shareholders of the company	-	-	-	-	-	-	(4,504)	(4,504)	-	(4,504)
Purchase of treasury shares	-	(317)	-	-	-	-	-	(317)	-	(317)
Balance as at 30 September 12	39,781	(317)	921	60	1,076	-	115,467	156,988	104	157,092
Balance as at 1 January 11	39,666	-	1,301	60	535	(76)	92,684	134,170	-	134,170
Profit for the period	-	-	-	-	-	-	11,230	11,230	(62)	11,168
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	(803)	-	-	-	-	(803)	-	(803)
Share of other comprehensive loss of associates	-	-	(102)	-	-	-	-	(102)	-	(102)
Total comprehensive (loss)/income for the period	-	-	(905)	-	-	-	11,230	10,325	(62)	10,263
Value of employee services received for issue of share options	-	-	-	-	288	-	-	288	-	288
Issuance of new shares	76	-	-	-	-	-	-	76	-	76
Exercise of share options	9	-	-	-	(9)	-	-	-	-	-
Capital injection from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	444	444
Dividends paid to shareholders of the company	-	-	-	-	-	-	(4,065)	(4,065)	-	(4,065)
Balance as at 30 September 11	39,751	-	396	60	814	(76)	99,849	140,794	382	141,176

The Company – 3Q

	Attributable to equity holders of the Company					Total Equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share- based payment reserve US\$'000	Accumulated profits US\$'000	
Balance as at 1 Jul 12	39,781	(164)	4,108	991	676	45,392
Loss for the period	-	-	-	-	(488)	(488)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	22	-	-	22
Total comprehensive income/(loss) for the period	-	-	22	-	(488)	(466)
Value of employee services received for issue of share options	-	-	-	85	-	85
Purchase of treasury shares	-	(153)	-	-	-	(153)
Balance as at 30 September 12	39,781	(317)	4,130	1,076	188	44,858
Balance as at 1 Jul 11	39,707	-	3,579	711	743	44,740
Loss for the period	-	-	-	-	(300)	(300)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(17)	-	-	(17)
Total comprehensive loss for the period	-	-	(17)	-	(300)	(317)
Value of employee services received for issue of share options	-	-	-	103	-	103
Issuance of new shares	44	-	-	-	-	44
Balance as at 30 September 11	39,751	-	3,562	814	443	44,570

The Company – 9M

	Attributable to equity holders of the Company					Total Equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Share- based payment reserve US\$'000	Accumulated profits US\$'000	
Balance as at 1 January 12	39,751	-	3,869	825	5,291	49,736
Loss for the period	-	-	-	-	(599)	(599)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	261	-	-	261
Total comprehensive income/(loss) for the period	-	-	261	-	(599)	(338)
Value of employee services received for issue of share options	-	-	-	251	-	251
Issurance of new shares	30	-	-	-	-	30
Dividends paid to shareholders of the Company	-	-	-	-	(4,504)	(4,504)
Purchase of treasury shares	-	(317)	-	-	-	(317)
Balance as at 30 September 12	39,781	(317)	4,130	1,076	188	44,858
Balance as at 1 January 11	39,666	-	3,963	535	271	44,435
Profit for the period	-	-	-	-	4,237	4,237
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(401)	-	-	(401)
Total comprehensive (loss)/income for the period	-	-	(401)	-	4,237	3,836
Value of employee services received for issue of share options	-	-	-	288	-	288
Issurance of ordinary shares	76	-	-	-	-	76
Exercise of share options	9	-	-	(9)	-	-
Dividends paid to shareholders of the company	-	-	-	-	(4,065)	(4,065)
Balance as at 30 September 11	39,751	-	3,562	814	443	44,570

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of movement in the number of issued ordinary shares (excluding treasury shares), treasury shares and share options are as follows : -

	FY 2012	FY 2011
<u>Share Capital</u>		
Number of issued ordinary shares as at 1 Jan	529,413,999	529,043,999
Issued for cash under employee share option scheme		
- at the exercise price of S\$0.335 each	110,000	120,000
- at the exercise price of S\$0.229 each	-	250,000
Ordinary shares held as treasury shares	(1,001,000)	-
Balance of issued ordinary shares as at 30 Sep (excluding treasury shares)	<u>528,522,999</u>	<u>529,413,999</u>
<u>Share Option - exercise price of S\$0.142</u>		
Balance as at 1 Jan	240,000	240,000
Options lapsed during the period	(240,000)	-
Balance as at 30 Sep	<u>-</u>	<u>240,000</u>
<u>Share Option - exercise price of S\$0.229</u>		
Balance as at 1 Jan	3,400,000	3,650,000
Options exercised during the period	-	(250,000)
Balance as at 30 Sep	<u>3,400,000</u>	<u>3,400,000</u>
<u>Share Option - exercise price of S\$0.335</u>		
Balance as at 1 Jan	3,730,000	4,750,000
Options exercised during the period	(110,000)	(120,000)
Options lapsed during the period	(30,000)	-
Balance as at 30 Sep	<u>3,590,000</u>	<u>4,630,000</u>
<u>Share Option - exercise price of S\$0.505</u>		
Balance as at 1 Jan	4,050,000	-
Options lapsed during the period	(100,000)	-
Granted to eligible employees on 1 February 2011	-	4,750,000
Balance as at 30 Sep	<u>3,950,000</u>	<u>4,750,000</u>
<u>Share Option - exercise price of S\$0.315</u>		
Balance as at 1 Jan	4,470,000	-
Options lapsed during the period	(200,000)	-
Balance as at 30 Sep	<u>4,270,000</u>	<u>-</u>

Out of the 15,210,000 outstanding share options on 30 September 2012 (30 September 2011: 13,020,000), 10,940,000 (2011: 8,270,000) share options are exercisable.

Treasury Shares

As at 30 September 2012, the total number of treasury shares held was 1,001,000 (30 September 2011: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares is as follows: -

	Group	
	As at 30 Sep 2012	As at 31 Dec 2011
Issued ordinary shares	529,413,999	529,413,999
Add : Shares issued under employee share option scheme	110,000	-
Less : Treasury shares	(1,001,000)	-
	<u>528,522,999</u>	<u>529,413,999</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2011, except for the adoption of revised FRS which came into effect on 1 January 2012.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of revised FRS as highlighted in paragraph 4 does not have a material impact on the financial statements for the period under review.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		Group	
	3Q 12	3Q 11	9M 12	9M 11
Earnings per share				
Based on existing issued share capital (USD cents)	1.53	0.79	3.18	2.11
On a fully diluted basis (USD cents)	1.52	0.79	3.17	2.10

	Group		Group	
	3Q 12	3Q 11	9M 12	9M 11
Weighted average number of shares table				
Weighted average number of shares for calculation of basic EPS	529,523,999	529,422,151	529,487,466	529,224,182
Weighted average number of shares for calculation of diluted EPS	532,442,165	530,696,728	531,747,681	531,733,684

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-12	31-Dec-11	30-Sep-12	31-Dec-11
Net asset value per ordinary share (USD cents)	29.70	27.31	8.49	9.39

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Financial Review

The Group put up a strong financial performance for Q3 2012. Although Revenue for Q3 2012 was US\$58.5 million, an increase of 5.5% compared to Q3 2011 Revenue of US\$55.4 million, the Group's Q3 2012 Profit after tax recorded a 91.1% jump to US\$8.0 million over the same period last year.

Cumulatively for the nine months ended 30 September 2012 ("9M 12"), the Group recorded Revenue of US\$169.2 million and net profitability of US\$16.7 million.

Revenue by Region (US\$'000)

	Group			Group		
	3Q 12 US\$'000	3Q 11 US\$'000	Increase/ (Decrease) %	9M 12 US\$'000	9M 11 US\$'000	Increase/ (Decrease) %
Russia	33,859	32,705	3.5	98,709	97,006	1.8
Eastern Europe and Central Asia	18,608	17,496	6.4	51,705	49,193	5.1
Other Markets	6,018	5,217	15.4	18,776	16,289	15.3
Total	58,485	55,418	5.5	169,190	162,488	4.1

For Q3 2012, the Group's Revenue increased by 5.5% to reach US\$58.5 million, compared with US\$55.4 million for Q3 2011.

Sales in the Group's largest market, Russia, rose by 3.5% to US\$33.9 million, compared to US\$32.7 million in Q3 2011.

In the Group's Eastern Europe and Central Asia market (comprising Ukraine, Kazakhstan and the CIS Countries), sales rose by 6.4% to US\$18.6 million.

The Group's Other Markets chalked up double digit sales growth of 15.4%, with Asia and the Middle East being the major contributors in this market.

Profitability

For Q3 2012 the Group recorded a Profit after tax of US\$8.0 million compared to US\$4.2 million in Q3 2011.

The improvement in performance was mainly due to the following reasons: -

- 1) Higher average selling prices of its products in its key markets.
- 2) Foreign exchange gain of US\$289,000 in Q3 2012, compared to a loss of US\$375,000 in the corresponding quarter of 2011 as a result of the weakening US dollar.
- 3) Share of associates' profits also saw a turnaround from a loss of US\$963K in Q3 2011 to US\$558K in profits for Q3 2012.

Staff costs rose by 11.4% in Q3 2012 compared to Q3 2011 as a result of increase in headcount in some of our markets, as well as higher salaries and social contributions. Depreciation expense for property plant and equipment was also higher due to a larger asset base.

Taxation for the Group for 9M 2012 was US\$435K compared to US\$849K for 9M 2011, mainly due to a write-back of US\$428K, being overprovision of taxes for prior years.

Balance Sheet & Cashflow

The Group's Net Assets as at 30 September 2012 were US\$157.1 million. The net asset value per ordinary share (excluding minority interests) as at 30 September 2012 was 29.70 US cents compared to 27.31 US cents as at 31 December 2011.

The increase in Inventories of US\$10.6 million and Trade payables of US\$5.8 million was attributable to 1) the acquisition of a Ukraine subsidiary that resulted in increase in Inventories carried, and 2) the stocking of Inventories in anticipation of higher level of sales activities in the coming quarter.

The increase in Other payables of US\$6.4 million was mainly due to the Group's acquisition of its Ukraine subsidiary.

The Group continues to have a strong cash position, with cash and cash equivalents of US\$42.9 million as at 30 September 2012, compared to US\$35.1 million as at 31 December 2011. The Group's continuing efforts to manage its debtors also resulted in a fall in Trade receivables, from US\$63.1 million as at 31 December 2011, to US\$57.3 million as at 30 September 2012.

The Group's cashflow generation has improved substantially compared to a year ago, with net cash from operations of US\$6.8 million during the third quarter of 2012, compared to US\$3.7 million for the corresponding quarter last year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In addition to the Euro zone crisis and the economic uncertainties in the US and China, the Group's performance may also be affected by the following factors: -

- currency volatility;
- raw material prices;
- competitive market conditions; and
- the possibility of changes in regulatory policies in the Group's operating markets.

Organically, the Group will continue to pursue activities to build up its brand equity and strengthen its distribution networks in its key markets. The Group is also looking for suitable M&A opportunities to increase shareholder value.

In addition, the Group is pursuing a number of upstream greenfield opportunities which may mitigate some of the uncertainties in commodities prices in the longer term.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable.

12. If no dividend have been declared/recommended, a statement to that effect.

No dividend has been declared for the current financial period.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain general mandate from shareholders for IPTs.

14. Confirmation by the Board Pursuant to Rule 705(5)

We, Tan Wang Cheow and Sudeep Nair, being 2 Directors of Food Empire Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended on 30 September 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Wang Cheow
Director

Sudeep Nair
Director

BY ORDER OF THE BOARD

**Tan Cher Liang
Company Secretary
9 November 2012**