

Food Empire

**1H 2003 Results Performance Review
Analysts Briefing**

25 August 2003

Agenda

- Financial Review
- Segmental Review
- Marketing Activities
- Market Statistics
- Market Outlook
- Q & A

Financial Review

Quarterly Profit & Loss Statement



(S\$'000)	2Q03	2Q02	% Change
Revenue	28,755	23,950	20.1
Profit before interest & tax	1,472	3,734	(60.6)
Profit before tax	1,400	3,706	(62.2)
Net Profit	802	2,858	(69.0)
Basic EPS (cents)**	0.23	0.75	

** Based on 344 million ordinary shares

Quarterly Performance Review

- Revenue grew S\$4.8 million or 20.1% to S\$28.8 million in 2Q03 as compared to the same period last year
 - Stronger sales in key market segments for both beverages and non-beverages segments
- Net profit declined S\$1.8 million or 69.0% to S\$0.8 million largely due to the Group's growth strategy measures
 - Expansion of overseas offices to strengthen the Group's overseas presence
 - Increase in A&P expenditure to build brand value and boost sales
 - Higher logistic costs incurred for new products to Russia and Ukraine

Half-Year Profit & Loss Statement



(S\$'000)	1H03	1H02	% Change
Revenue	58,142	44,313	31.2
Profit before interest & tax	5,988	6,925	(13.5)
Profit before tax	5,858	6,805	(13.9)
Net Profit	3,724	4,814	(22.6)
Basic EPS (cents)**	1.08	1.40	
EBITDA Margin	11.5%	16.7%	
Net Profit Margin	6.4%	10.9%	

** Based on 344 million ordinary shares

Half-Year Performance Review

- Revenue increased across core markets
- Revenue increased in both beverage and non-beverage segments
- Profit before tax was affected by an increase in operating expenses in terms of A&P expenditure and office expansion incurred by move to counter increasingly competitive grounds.
- Higher logistic costs incurred for new products to Russia and Ukraine

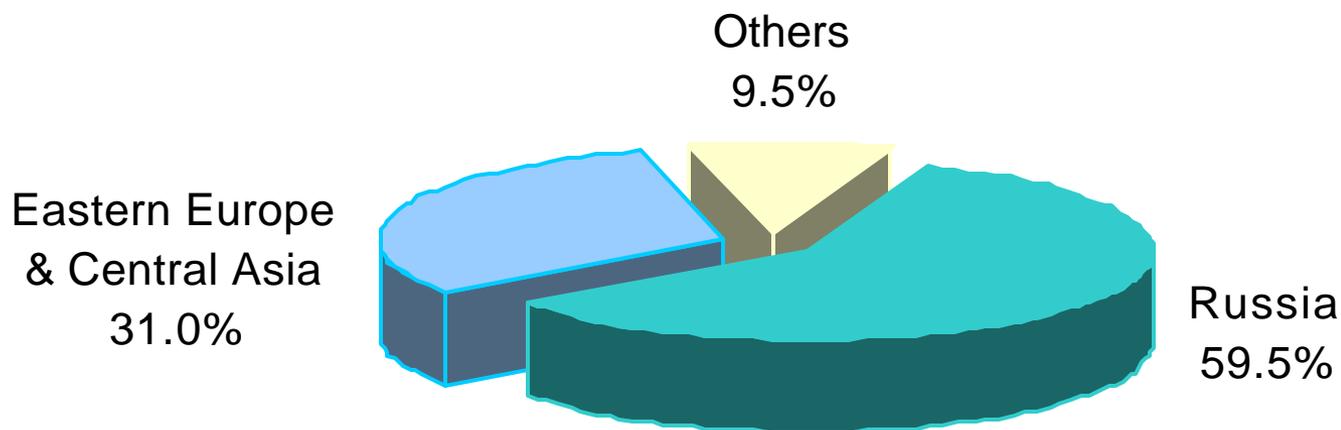
Segmental Review

Half-Year Segmental Review

– By Market (Revenue)

Revenue (S\$'000)	1H03	1H02	% Change
Russia	34,609	26,229	31.9
E.Europe & C.Asia	18,039	11,921	51.3
Others	5,494	6,163	(10.9)
Total	58,142	44,313	31.2

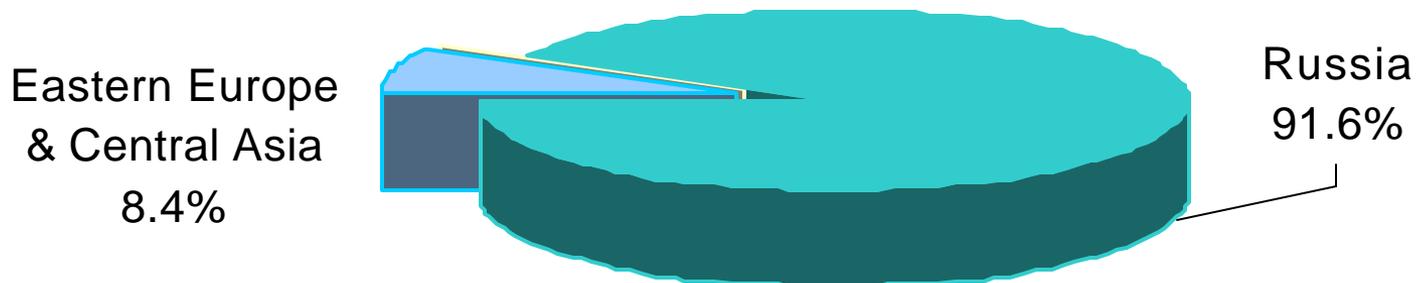
Contribution to Revenue



Half-Year Segmental Review - By Market (Profit Before Tax)

Profit Before Tax (S\$'000)	1H03	1H02	% Change
Russia	6,568	5,323	23.4
E.Europe & C.Asia	602	1,728	(65.2)
Others	(1,312)	(246)	n.m.
Total	5,858	6,805	(13.9)

Contribution to Profit Before Tax



Segmental Review - By Market

RUSSIA

- Revenue rose 31.9% with increased demand for MacCoffee and expansion of distribution network
- Profit before tax continued its double-digit growth mainly from higher sales

EASTERN EUROPE & CENTRAL ASIA

- Higher demand from greater brand awareness pump up sales
- Aggressive A&P to seek out new markets and increase brand awareness contributed to a loss in this segment

OTHERS

- Dip in performance due primarily to weaker demand for frozen seafood in UK and Singapore

Marketing Activities

Advertising & Promotions - Russia

Euro 2004 Qualifier - Switzerland vs Russia



Advertising & Promotions - Russia

MacCandy Promotion in BP Kiosks



Advertising & Promotions - Russia

Children's Day Celebrations - Hypermart 'Marktkauf'



Advertising & Promotions - Russia

Promotion in Kopeika - chain of discount stores



Advertising & Promotions - Ukraine

Billboards



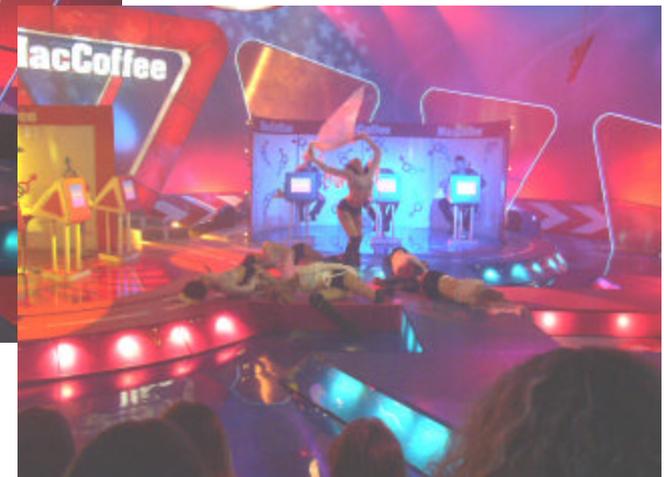
Ukrainian Rally Championship



Advertising & Promotions - Ukraine



Sponsorship of 'Crossroad of love'
programme in Ukraine



Advertising & Promotions - Kazakhstan

Umbrellas in Aqua Park, Kazakhstan



Advertising & Promotions - Kazakhstan

Ministerial Visit to Kazakhstan



Promotional activities for MacCoffee Strong



Advertising & Promotions - Other Markets

Billboard in Mongolia



Body painting in Mongolia



Advertising & Promotions - Others Markets



Trolley buses in Poland



Billboards in Iran



Bésame Launch in Turkey

Trade Shows



Retail trade show in South Africa

Meat & Fresh Expo in Belgium



European seafood exposition

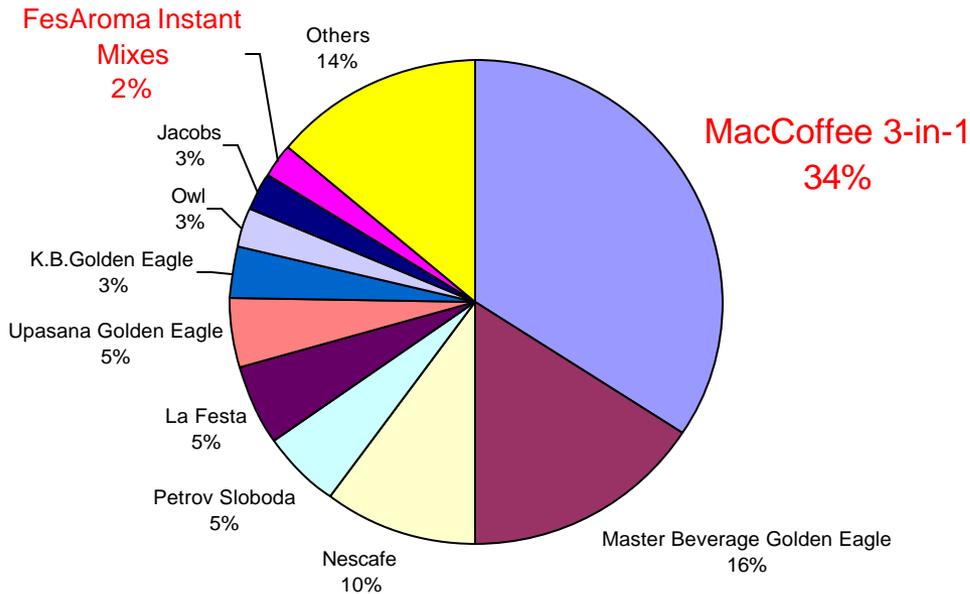


Market Statistics

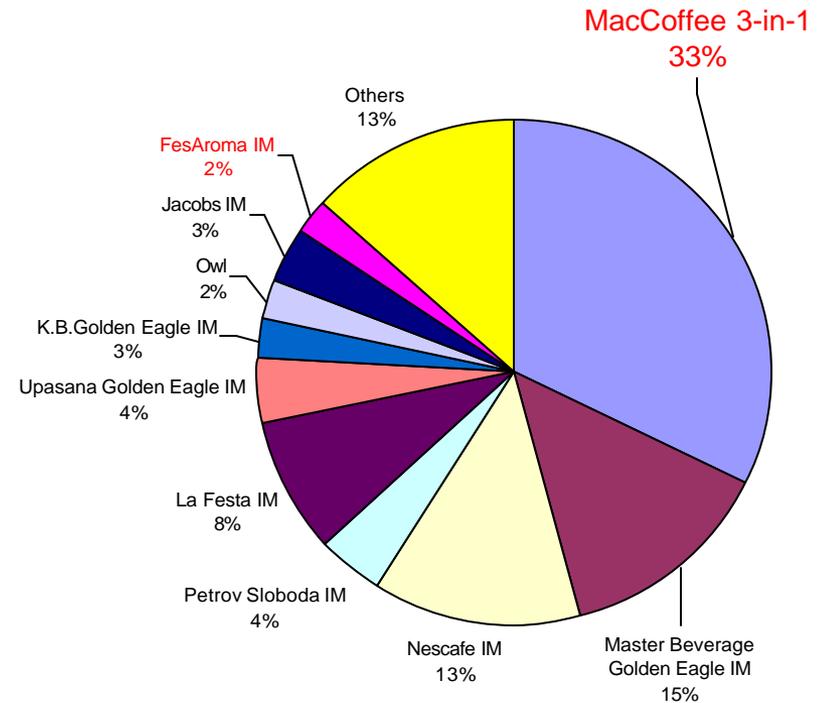
Market Statistics – Russia

Sales by brands for total Instant Mixed Coffee Market – 7 cities

Volume Share



Value Share

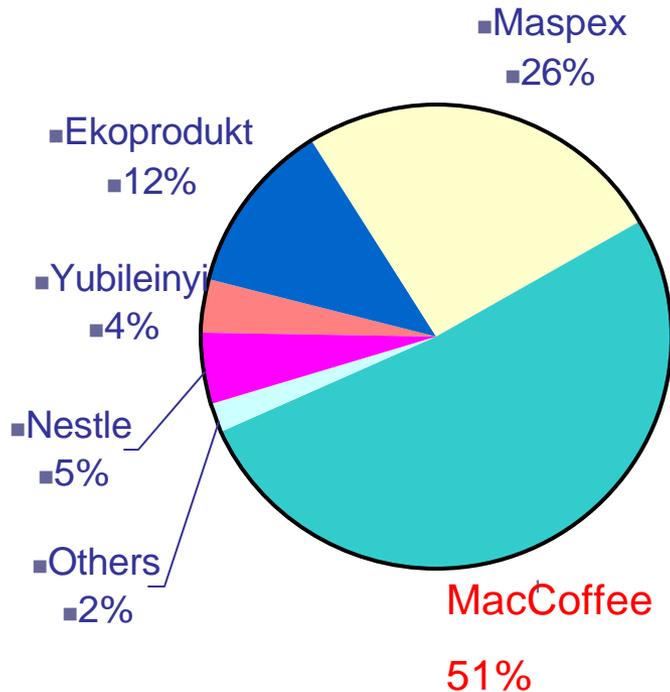


MacCoffee 3-in-1 is ABSOLUTE leader in the Instant Mixed COFFEE Market

Market Statistics - Ukraine

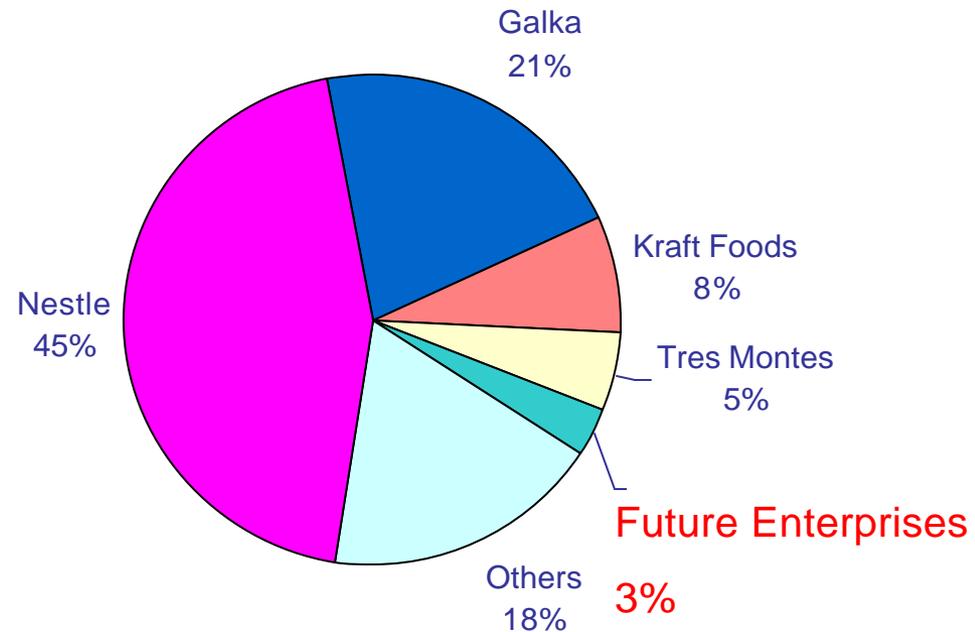
All Coffee Mixes Sector

(inclusive 3-in-1, 2-in-1 etc)



All Instant Coffee Sector

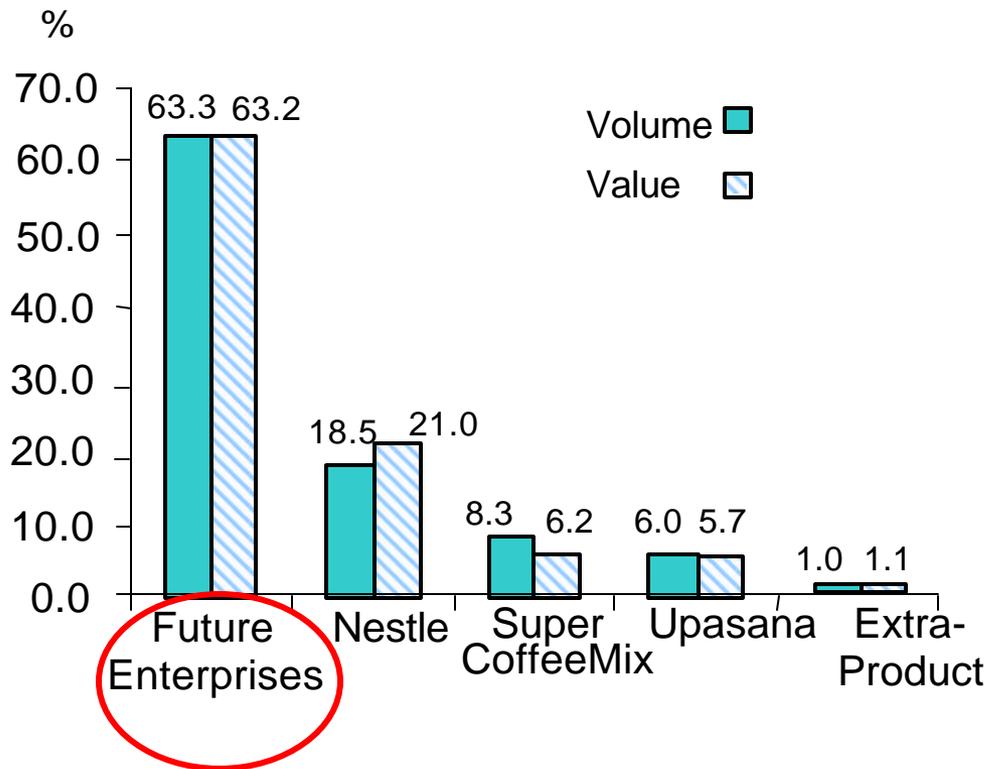
(inclusive pure soluble and coffee mixes etc)



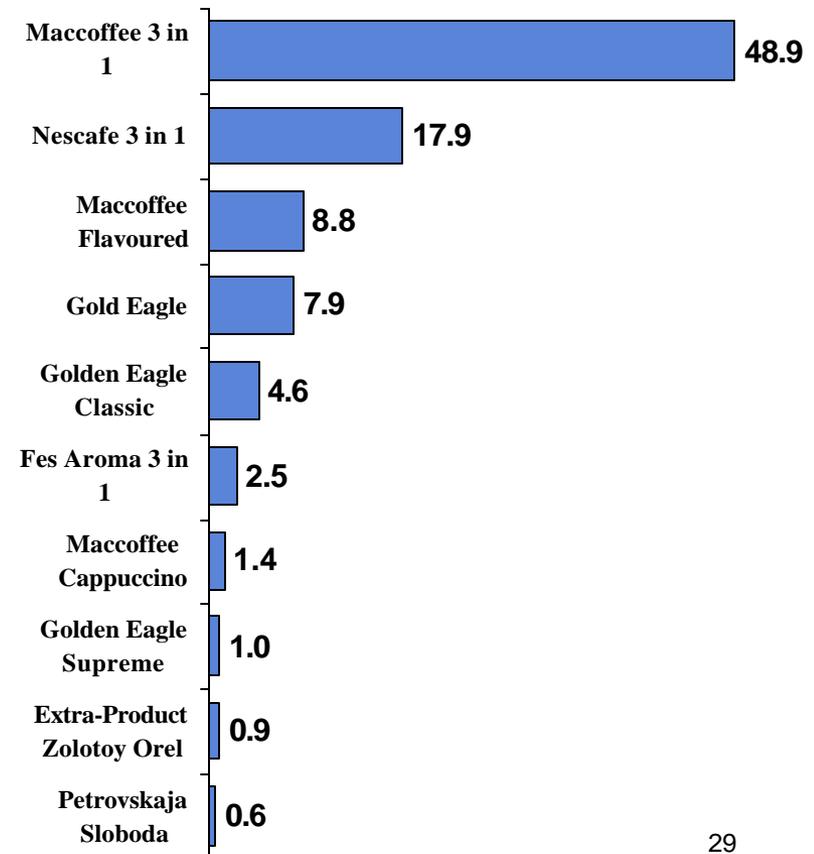
Market Statistics – Kazakhstan

(For instant coffee mixes segment)

Top 5 Market Share
(for 14 cities)



Sales Share Volume
(for 14 cities)

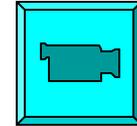


Growth Strategy

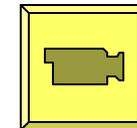
- Forge ahead with a more aggressive strategy to grow market share
- Continue to strengthen international network by expanding office resources and distributorship
- Strengthen brand positioning to maintain high value of brands in core markets and build awareness in new markets
- Intensify product development efforts
- Intensify sales of core products and newly launched products

TV Advertisements

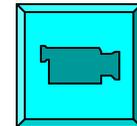
MacCoffee Strong in Russia



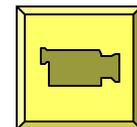
MacCoffee Advertisement



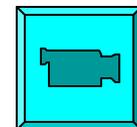
Launch of MacCandy in Russia

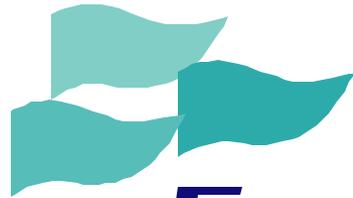


Launch of Kracks



Klassno Summer Teaser





Food Empire

Q & A