



**SINGAPORE FOOD INDUSTRIES LIMITED
AND ITS SUBSIDIARIES**

SGX “APPENDIX 7.2” ANNOUNCEMENT

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST HALF
ENDED 30 JUNE 2008**

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This release contains certain statements that are not statement of historical fact, i.e. forward-looking statements. Readers can identify some of these statements by forward-looking terms such as ‘expect’, ‘believe’, ‘plan’, ‘intend’, ‘estimate’, ‘anticipate’, ‘may’, ‘will’, ‘would’, ‘could’ or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are made based on current expectations, projections and assumptions about future events. Although SFI believes that these expectations, projections and assumptions are reasonable at the time of making them, these forward-looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about SFI, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in forward-looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, outbreak of animal diseases, food scares, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sales/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Singapore Food Industries Limited

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1. Consolidated Income Statements

The Board of Directors announces the results of the Group for the First Half ended 30 June 2008. These figures have not been audited or reviewed.

S\$000	2Q 2008			2Q 2007			1H 2008			1H 2007		
			%			%			%			%
	2Q 2008	2Q 2007	Change	2Q 2008	2Q 2007	Change	1H 2008	1H 2007	Change	1H 2008	1H 2007	Change
Revenue	166,291	158,894	4.7	166,291	158,894	4.7	342,664	331,415	3.4	342,664	331,415	3.4
Cost of sales	(125,945)	(119,330)	5.5	(125,945)	(119,330)	5.5	(254,793)	(243,240)	4.7	(254,793)	(243,240)	4.7
Gross profit	40,346	39,564	2.0	40,346	39,564	2.0	87,871	88,175	(0.3)	87,871	88,175	(0.3)
Gross Margin %	24.3%	24.9%	(1.3)	24.3%	24.9%	(1.3)	25.6%	26.6%	(1.0)	25.6%	26.6%	(1.0)
Other income (net)	465	4,010	(88.4)	465	4,010	(88.4)	4,706	4,487	4.9	4,706	4,487	4.9
Marketing, selling and distribution expense	(10,040)	(11,800)	(14.9)	(10,040)	(11,800)	(14.9)	(22,647)	(23,606)	(4.1)	(22,647)	(23,606)	(4.1)
Administrative expenses	(17,538)	(16,475)	6.5	(17,538)	(16,475)	6.5	(33,067)	(32,356)	2.2	(33,067)	(32,356)	2.2
Other operating expenses	(4,950)	(5,934)	(16.6)	(4,950)	(5,934)	(16.6)	(10,143)	(11,860)	(14.5)	(10,143)	(11,860)	(14.5)
Total Operating & Administrative expenses	(32,528)	(34,209)	(4.9)	(32,528)	(34,209)	(4.9)	(65,857)	(67,822)	(2.9)	(65,857)	(67,822)	(2.9)
Profit from operations	8,283	9,365	(11.6)	8,283	9,365	(11.6)	26,720	24,840	7.6	26,720	24,840	7.6
Finance income	1,086	352	208.5	1,086	352	208.5	1,800	733	145.6	1,800	733	145.6
Finance expense	(1,034)	(1,056)	(2.1)	(1,034)	(1,056)	(2.1)	(2,113)	(2,282)	(7.4)	(2,113)	(2,282)	(7.4)
Profit before jointly-controlled entity and tax	8,335	8,661	(3.8)	8,335	8,661	(3.8)	26,407	23,291	13.4	26,407	23,291	13.4
Share of results of jointly-controlled entity, net of tax	(1)	(2)	N.M.	(1)	(2)	N.M.	(3)	(3)	N.M.	(3)	(3)	N.M.
Profit before income tax	8,334	8,659	(3.8)	8,334	8,659	(3.8)	26,404	23,288	13.4	26,404	23,288	13.4
Income tax expense	(2,490)	(2,973)	(16.2)	(2,490)	(2,973)	(16.2)	(6,030)	(7,381)	(18.3)	(6,030)	(7,381)	(18.3)
Profit after taxation	5,844	5,686	2.8	5,844	5,686	2.8	20,374	15,907	28.1	20,374	15,907	28.1
Attributable to:												
Equity holders of the Company	5,376	4,166	29.0	5,376	4,166	29.0	18,244	14,086	29.5	18,244	14,086	29.5
Minority interests	468	1,520	(69.2)	468	1,520	(69.2)	2,130	1,821	17.0	2,130	1,821	17.0
Profit after taxation	5,844	5,686	2.8	5,844	5,686	2.8	20,374	15,907	28.1	20,374	15,907	28.1
Profit after tax as a percentage of Turnover	3.5%	3.6%		3.5%	3.6%		5.9%	4.8%		5.9%	4.8%	
Net profit attributable to shareholders as a percentage of Issued Capital and Reserves at end of period	3.6%	2.8%		3.6%	2.8%		12.1%	9.5%		12.1%	9.5%	
Earnings per share for profit attributable to the equity holders of the Company during the period												
Basic (cents)	1.0	0.8		1.0	0.8		3.5	2.7		3.5	2.7	
Diluted (cents)*	1.0	0.8		1.0	0.8		3.5	2.7		3.5	2.7	

*The weighted average number of ordinary shares have been adjusted for options that would be deemed to have been exercised.

Note

Amounts are expressed in Singapore dollars, unless stated otherwise.

N.M. : Not meaningful

2. Balance Sheets

S\$'000	Group		Company	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007
Non-current assets				
Property, plant & equipment	103,928	113,279	5,122	5,711
Intangible assets	68,551	69,558	-	-
Subsidiaries	-	-	105,042	105,042
Jointly controlled entity	273	276	50	50
Other investments	217	207	-	-
Other assets	107	107	107	107
Deferred tax assets	958	957	393	391
	174,034	184,384	110,714	111,301
Current assets				
Inventories	46,530	51,029	23,177	26,633
Trade and other receivables	109,898	118,698	36,959	41,534
Cash and bank balances	33,412	26,221	11,386	10,888
	189,840	195,948	71,522	79,055
Total assets	363,874	380,332	182,236	190,356
Equity attributable to equity holders of the Company				
Share capital	36,219	36,016	36,219	36,016
Reserves	114,714	118,288	38,461	51,836
	150,933	154,304	74,680	87,852
Minority interest	12,817	10,551	-	-
Total equity	163,750	164,855	74,680	87,852
Non-current liabilities				
Financial liabilities	19,904	24,632	-	-
Deferred tax liabilities	3,008	3,736	-	-
	22,912	28,368	-	-
Current liabilities				
Financial liabilities	57,718	45,310	37,600	24,100
Trade and other payables	107,350	127,294	66,839	73,455
Current tax payable	12,144	14,505	3,117	4,949
	177,212	187,109	107,556	102,504
Total liabilities	200,124	215,477	107,556	102,504
Total equity and liabilities	363,874	380,332	182,236	190,356

2.1 Notes to Balance Sheet

The financial position of the Group remains stable. Bank borrowings increased \$13.5 million at the Company level following borrowings taken for the payment of final dividends (\$16.5 million) in June 2008. Other than the above, there were no material changes in the composition of the assets and liabilities as at 30 June 2008 compared to 31 December 2007.

2.2 Net Asset Value Per Ordinary Share

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2008</u>	<u>31.12.2007</u>	<u>30.6.2008</u>	<u>31.12.2007</u>
Net Asset Value Per Ordinary Share (Cents)	29.2	29.9	14.5	17.0

2.3. Financial Liabilities

<u>S\$'000</u>	<u>Group</u>	
	<u>30.6.2008</u>	<u>31.12.2007</u>
<u>Amount repayable within one year:</u>		
-Secured bank loans	12,570	12,654
-Unsecured bank loans	39,701	26,146
-Finance lease liabilities	322	468
-Secured bank overdrafts	2,525	3,442
-Provision for financial guarantee	2,600	2,600
	<u>57,718</u>	<u>45,310</u>
<u>Amount repayable after one year but within five years:</u>		
-Secured bank loans	19,244	23,723
-Finance lease liabilities	660	909
	<u>19,904</u>	<u>24,632</u>
Total	<u>77,622</u>	<u>69,942</u>

3.1 Consolidated Cash Flow Statement

SS'000	2Q 2008	2Q 2007	1H 2008	1H 2007
Profit before income tax	8,334	8,662	26,404	23,291
Adjustments for:				
Depreciation of property, plant and equipment	4,025	4,683	8,105	9,359
Amortisation of intangible assets	508	500	1,012	1,000
Interest expense	1,005	1,100	2,047	2,169
Interest income	(299)	(113)	(543)	(213)
Share of results of jointly-controlled entity	1	2	3	3
EBITDA	13,574	14,834	37,028	35,609
Gain on disposal of property, plant and equipment	(14)	(134)	(25)	(184)
Gain on disposal of intangible assets	-	-	(24)	-
Allowance for stock obsolescence	585	859	995	1,420
Allowance for doubtful receivables	29	(44)	66	113
Impairment of assets	0	1,124	331	1,136
Equity compensation costs	190	192	390	384
Operating profits before working capital changes	14,364	16,831	38,761	38,478
Changes in working capital:				
Inventories	3,694	(9,144)	2,062	(10,450)
Trade and other receivables	4,775	3,900	2,099	1,402
Trade and other payables	(2,413)	4,213	(5,221)	1,566
Cash generated from operations	20,420	15,800	37,701	30,996
Income taxes paid	(4,202)	(4,015)	(8,523)	(8,256)
Cash flows from operating activities	16,218	11,785	29,178	22,740
Investing Activities				
Purchase of property, plant and equipment	(3,119)	(1,957)	(4,930)	(4,383)
Interest received	299	113	543	213
Proceeds from disposal of intangible assets	-	-	106	-
Proceeds from disposal of property, plant and equipment	123	371	263	719
Cash flows from investing activities	(2,697)	(1,473)	(4,018)	(3,451)
Financing Activities				
Proceed from issuance of new shares	217	1,188	217	1,438
Proceeds from bank loans	13,000	12,394	16,150	20,851
Repayment of bank loans and finance lease obligations	(6,756)	(8,306)	(6,147)	(11,301)
Interest paid	(1,005)	(1,100)	(2,047)	(2,169)
Dividends paid	(16,520)	(16,508)	(25,808)	(25,559)
Cash flows from financing activities	(11,064)	(12,332)	(17,635)	(16,740)
Net increase/(decrease) in cash and cash equivalents	2,457	(2,020)	7,525	2,549
Cash and cash equivalents at beginning of the period	30,925	25,896	26,221	21,438
Effect of exchange rate changes on balances held in foreign currencies	30	422	(334)	311
Cash & cash equivalents at end of the period	33,412	24,298	33,412	24,298

3.2 Notes to Consolidated Cash Flow Statement

1H 2008 operating cash flows increased \$6.4 million as a result of lower working capital requirements. Capital expenditures totalled \$4.9 million (1H 2007: \$4.4 million), mainly for the UK operations.

Net dividends of \$25.8 million were paid during the half year in respect of FY 2007's dividends totalling 5.0 cents per share.

4. Statement of Changes in Equity

	Share capital	Capital Reserve	Merger Reserve	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Accumulated profits	Foreign currency translation reserve	Total attributable to equity holders of the parent	Minority interest	Total equity
The Group (S\$'000)												
At 1 April 2007	34,746	9,212	2,245	1,106	636	(654)	(409)	106,281	5,044	158,207	8,843	167,050
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	-	-	1,664	1,664	283	1,947
Net profit for the quarter	-	-	-	-	-	-	-	4,166	-	4,166	1,520	5,686
Total recognised income and expense for the quarter	-	-	-	-	-	-	-	4,166	1,664	5,830	1,803	7,633
Issue of shares under share options	1,188	-	-	-	-	-	-	-	-	1,188	-	1,188
Value of employee services received for issue of share option and performance shares	-	-	-	102	90	-	-	-	-	192	-	192
Dividends	-	-	-	-	-	-	-	(16,508)	-	(16,508)	-	(16,508)
At 30 June 2007	35,934	9,212	2,245	1,208	726	(654)	(409)	93,939	6,708	148,909	10,646	159,555
The Group (S\$'000)												
At 1 April 2008	36,016	9,212	2,245	1,396	699	(654)	(518)	114,804	(426)	162,774	12,211	174,985
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	-	-	(1,107)	(1,107)	138	(969)
Net profit for the year	-	-	-	-	-	-	-	5,376	-	5,376	468	5,844
Total recognised income and expense for the quarter	-	-	-	-	-	-	-	5,376	(1,107)	4,269	606	4,875
Issue of shares under share options	203	-	-	-	-	-	-	-	-	203	-	203
Value of employee services received for issue of share option and performance shares	-	-	-	105	102	-	-	-	-	207	-	207
Dividends	-	-	-	-	-	-	-	(16,520)	-	(16,520)	-	(16,520)
At 30 June 2008	36,219	9,212	2,245	1,501	801	(654)	(518)	103,660	(1,533)	150,933	12,817	163,750

4. Statement of Changes in Equity (Continued)

	Share capital	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Accumulated profits	Total equity
The Company (S\$'000)							
At 1 April 2007	34,746	1,106	636	(654)	(409)	67,295	102,720
Net profit for the quarter, representing income and expense for the quarter	-	-	-	-	-	5,074	5,074
Issue of shares under share options	1,188	-	-	-	-	-	1,188
Value of employee services received for issue of share options and performance shares	-	102	90	-	-	-	192
Dividends	-	-	-	-	-	(16,508)	(16,508)
At 30 June 2007	35,934	1,208	726	(654)	(409)	55,861	92,666
At 1 April 2008	36,016	1,396	699	(654)	(518)	53,890	90,829
Net profit for the quarter, representing income and expense for the quarter	-	-	-	-	-	(39)	(39)
Issue of shares under share options	203	-	0	-	-	-	203
Value of employee services received for issue of share options and performance shares	-	105	102	-	-	-	207
Dividends	-	-	-	-	-	(16,520)	(16,520)
At 30 June 2008	36,219	1,501	801	(654)	(518)	37,331	74,680

4.1 Changes in Company's Capital

During the quarter the Company issued and allotted 260,150 ordinary shares for cash at prices ranging from \$0.76 to \$0.80 under the Company's Share Option Plan. The issued shares were ranked pari passu in all respects with the existing issued ordinary shares of the Company. As at 30 June 2008, there were unexercised options for 22,355,755 (31 December 2007: 25,490,755) ordinary shares under the SFI Share Option Plan.

5. Consolidated Economic Value Added (“EVA”) Statement

S\$'000	1H 2008	1H 2007
Profit Before Taxation	26,404	23,288
Adjustments for:		
Increase/(Decrease) in allowance for doubtful debts	(4)	159
Increase/(Decrease) in allowance for stock obsolescence	218	1
Amortisation of intangible assets	1,012	1,000
Interest expense	2,047	2,169
Interest expense on non-capitalised leases	124	50
Adjusted Earnings Before Income Tax	29,801	26,667
Less Cash Operating Taxes	6,952	7,834
Net Operating Profit After Tax (NOPAT)	22,849	18,833
Average EVA Capital Employed	257,695	241,023
Weighted Average Cost of Capital	6.6%	6.9%
Capital Charge	8,504	8,315
Economic Value Added (EVA)	14,345	10,518
Return on EVA Capital (annualised)	17.7%	15.6%
EVA Spread (annualised)	11.1%	8.7%

5.1 Notes on EVA Statement

EVA for 1H 2008 at \$14.3 million was 36.4 per cent higher than 1H 2007 as a result of higher operating profits reported. Capital charge was slightly higher at \$8.5 million as a result of higher average EVA Capital due to higher revenue reserves and bank borrowings, and despite a lower cost of equity applied. Based on 1H2008 results, the annualised return on EVA Capital is 17.7 per cent compared with 15.6 per cent for 1H 2007. This gives an annualised EVA Spread (Return on EVA Capital less WACC) of 11.1 per cent (1H 2007: 8.7 per cent).

6. Dividends

	1H 2008	1H 2007
Name of Dividend	Interim	NIL
Dividend Type	Cash	NA
Dividend Per Share	1.80 cents per ordinary share (Tax Exempt- 1-Tier)	NA

(a) Commentary on interim dividend for FY 2008

The Directors are pleased to announce the declaration of an interim dividend of 1.80 cents per share payable in August in respect of the year ending 31 December 2008. 2007's interim dividends of an equivalent amount per share was declared together with the announcement of 3Q 2007 results, and paid in January 2008.

(b) Book closure and payment date

The book closure date and the dividend payment date will be announced in due course.

7. Review of Performance of the Group

Summary by Geographical Regions

TURNOVER

SS'000

	2Q 2008	2Q 2007	+ /(-) %	1H 2008	1H 2007	+ /(-) %
Singapore	68,522	56,160	22.0	133,654	113,723	17.5
UK/Ireland	89,160	94,008	(5.2)	190,105	199,805	(4.9)
Others	8,609	8,726	(1.3)	18,905	17,887	5.7
Total Overseas	97,769	102,734	(4.8)	209,010	217,692	(4.0)
Group	166,291	158,894	4.7	342,664	331,415	3.4

PBT

SS'000

	2Q 2008	2Q 2007	+ /(-) %	1H 2008	1H 2007	+ /(-) %
Singapore	6,371	5,549	14.8	13,806	12,046	14.6
UK/Ireland	2,113	780	170.9	9,341	9,136	2.2
Others	(149)	2,332	N.M.	3,260	2,109	54.6
Total Overseas	1,964	3,112	(36.9)	12,601	11,245	12.1
Group	8,335	8,661	(3.8)	26,407	23,291	13.4

7.1 Overview

1H 2008 Group turnover increased 3.4 per cent over 1H 2007, to \$342.7 million. Profit before tax (“PBT”) increased 13.4 per cent to \$26.4 million. The Group results were affected by a 9.6 per cent weakening of the Sterling Pound against Singapore Dollars compared with 1H 2007. Using the same exchange rates as in 1H 2007, sales and profit growth would have been 9.2 per cent and 19.7 per cent respectively for the Group.

Similarly, 2Q 2008 results compared to 2Q 2007 were affected by the weaker Sterling Pound vis-à-vis Singapore Dollar. Using the same exchange rate as 2Q 2007, sales in 2Q 2008 would have shown an increase of 11.7 per cent over the same quarter last year and PBT an increase of 4.1 per cent.

7.2 Singapore Operations

Singapore operations showed strong growth.

1H 2008 sales grew 17.5 per cent compared with same period last year, with all three business sectors reporting higher turnover. Food Distribution grew 18.5 per cent, Food Catering 15.3 per cent and Abattoir and Auction 20.5 per cent. PBT grew 14.6 per cent, driven by revenue growth.

2Q 2008 sales grew 22.0 per cent over 2Q 2007 with higher turnover from all three sectors. Food Distribution sales grew 26.8 per cent, the increase being led by growth in core frozen meat items and an expanding Food Service Sector. Food Catering sales in 2Q 2008 were higher as a result of increased consumption and at higher prices relative to the same period last year. Abattoir and Hog Auction revenues also saw an increase due to higher pig numbers. As a result, PBT grew 14.8 per cent.

7.3 UK/Ireland Operations

In Sterling Pound terms, UK/Ireland operations reported a 4.7 per cent growth in sales and an 18.5 per cent growth in PBT for the half year. The impact of the 9.6 per cent weaker Sterling Pound is to lower translated sales and PBT by \$19.2 million and \$1.5 million respectively. Sales were 4.9 per cent down as a result, while PBT was only 2.2 per cent higher.

In Sterling Pound terms, UK/Ireland sales growth for 2Q2008 was 6.7 per cent, while PBT was 258.2 per cent higher. The translation impact on 2Q 2008 was \$11.1 million for sales and \$0.7 million at PBT level.

In Sterling Pound terms, Daniels sales grew 10.5 per cent to £20.3 million for the quarter. Farmhouse Fare sales was slightly lower (£0.1 million) at £1.5 million for the quarter, while ICL sales for 2Q2008 were comparable to 2Q 2007. In Euro terms, Cresset sales was 12.0 per cent lower at €2.4 million following the exit from ambient business.

The change in UK results on a standalone basis in Sterling Pound terms and corresponding periods are as follows:

	Change (%)	
	2Q 2008	1H 2008
Sales	7.3	5.2
PBT	31.6	6.9

7.4 Other Overseas Operations

Turnover from China and Australia increased 5.7 per cent to \$18.9 million for the half year. 1H 2008 PBT was \$3.3 million compared with \$2.1 million in 1H 2007. 1H 2008 results included S\$4.2 million (A\$3.3 million) grant from the Australian government and a \$0.3 million impairment loss registered in 1Q 2008 whereas 1H 2007 included a S\$4.4 million grant and a S\$1.1 million impairment registered in 2Q 2007.

Revenues for Australia for 2Q 2008 PBT was \$7.2 million (\$0.1 million lower) while PBT was lower by \$3.2 million due to an Australian government grant received in 2Q 2007. Shanghai STFI's turnover for 2Q 2008 was \$1.4 million, comparable to 2Q 2007. SSTFI registered a lower loss of \$0.3 million for the quarter (2Q 2007: loss of \$1.0 million), as 2Q 2007 results included a \$0.5 million stock write-down.

7.5 Notes to the Consolidated Income Statement

7.5.1 Operating and Administrative expenses

<u>S\$'000</u>	<u>2Q 2008</u>	<u>2Q 2007</u>	<u>Change %</u>	<u>1H 2008</u>	<u>1H 2007</u>	<u>Change %</u>
Marketing, selling & distribution expenses	10,040	11,800	(14.9)	22,647	23,606	(4.1)
Administrative expenses	17,538	16,475	6.5	33,067	32,356	2.2
Other operating expenses	4,950	5,934	(16.6)	10,143	11,860	(14.5)
Total Operating & Administrative expenses	32,528	34,209	(4.9)	65,857	67,822	(2.9)

1H2008 vs 1H 2007

Total Operating and Administrative expenses at \$65.9 million were \$2.0 million lower than 1H 2007, benefiting from a weaker Pound when translating the expenses of the UK subsidiaries. If the Pound were the same as 1H 2007, total expenses would have been \$69.9 million (3.1 per cent higher than 1H 2007).

7.5.2 Profit before taxation includes the following:-**(a) Other Income (net)**

S\$'000	2Q 2008	2Q 2007	1H 2008	1H 2007
Gain on disposal of property, plant and equipment	14	134	25	184
Grants received	123	4,564	4,501	4,714
Gain on disposal of intangible assets	-	-	24	-
Impairment loss on intangible assets	-	(1,112)	-	(1,112)
Impairment loss on property, plant and equipment	-	-	(331)	-
Miscellaneous income	328	424	487	701
	465	4,010	4,706	4,487

(b) Expenses

S\$'000	2Q 2008	2Q 2007	1H 2008	1H 2007
Bad debts written off	55	22	74	113
Bad debts recovered	(7)	(15)	(8)	(22)
Depreciation of property, plant and equipment	4,025	4,683	8,105	9,359
Amortisation of intangible assets	508	500	1,012	1,000
Provision for stock obsolescence	585	859	995	1,420

(c) Finance Income/(expense)

S\$'000	2Q 2008	2Q 2007	1H 2008	1H 2007
<u>Finance Income</u>				
Interest income from banks	299	113	543	213
Net exchange gain	800	129	1,327	392
Fair value gains/(losses) on forward exchange contracts	(13)	110	(70)	128
	1,086	352	1,800	733
<u>Finance expense</u>				
Interest expenses:				
- bank loans and overdrafts	998	1,085	2,026	2,134
- finance leases	7	15	21	35
Impairment loss on trade receivables	29	(44)	66	113
	1,034	1,056	2,113	2,282

7.5.3 Income Tax Expense

1H2008 results included a \$1.7 million tax write back relating to prior years on those tax years finalised.

7.5.4 Seasonal Operations

The Group's results are subject to seasonal variations in sales and profits especially in the UK/Ireland businesses. The current business mix (especially in the UK), results in sales and profit levels being significantly higher in the first and last quarters of each financial year.

8 Outlook for 2008

8.1 Singapore Operations

The Food Distribution business has been driving sales and profit growth in its core categories and this will continue to benefit our business performance. However, we expect the trend towards higher import prices to moderate our trading margins. Food Catering business remains robust with its recently renewed contract and price adjustment for cost increases. Improved operating efficiencies are expected to continue for the rest of the year. While pig supply volume has improved in 1H2008 in Abattoir and Hog Auction, we are continuing to look for new sources for pig supply to grow our business.

Overall, Singapore performance in 2008 is expected to be better than 2007.

8.2 Overseas Operations

In the UK/Ireland, Daniels is expected to continue to deliver growth in its core product categories of soup, juice and fruit for 2008. For Farmhouse Fare, a significant product launch has been agreed with new key customer for the 2008 winter season. Underpinned by the award of new business from key customers, we would expect ICL progress to continue. Cresset's performance has improved, though it has yet to break-even.

Overall, UK performance in 2008 is expected to be better than 2007.

Management is in continuing dialogue with several parties over the future of its businesses in Ireland, China and Australia.

8.3 Overall Outlook for FY 2008

Barring unforeseen circumstances, we expect FY 2008 earnings to be better than FY2007.

9. Material or unusual events after Balance Sheet date

At the date of this announcement, the Directors of the Company are not aware of any item or event of a material or unusual nature that has occurred between the date to which the report refers and the date of this announcement, which would affect materially the results of the Group and Company.

10. Group Segment Information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, by business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Other segment results, assets and liabilities mainly comprise income-earning assets, income streams, interest-bearing loans, borrowings and expenses not directly attributable to a particular business segment.

Unallocated assets and liabilities comprise current and deferred taxes.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Geographical Segments

The Group operates in four geographical areas, namely Singapore, UK/Ireland (United Kingdom and the Republic of Ireland), Australia and the People's Republic of China ("PRC"). The food distribution business and the abattoir and hog auction business are conducted in Singapore. The food preparation, manufacturing and processing business is conducted in Singapore, United Kingdom, the Republic of Ireland, Australia and the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the country of operation, not the country to which sales is made to. Segment assets are based on the geographical location of the assets and operations.

By Business Activity

1H 2008	Food Preparation, Abattoir and Hog Auction			Others	Adjustments	Total
	Food Distribution	Manufacturing and Processing	Abattoir and Hog Auction			
SS'000						
Revenue						
-External customers	73,278	256,870	12,516	-	-	342,664
-Inter-segment	11,852	5,455	291	-	(17,598)	-
Total revenue	85,130	262,325	12,807	-	(17,598)	342,664
Segment results	2,710	21,498	5,026	(1,323)	-	27,911
Interest Income	-	222	-	321	-	543
Interest Expense	-	(1,774)	-	(273)	-	(2,047)
	2,710	19,946	5,026	(1,275)	-	26,407
Share of results of jointly controlled entity						(3)
Profit before taxation						26,404
Taxation						(6,030)
Profit after taxation						20,374
Minority Interests						(2,130)
Profit after tax and minority interests						18,244
Assets and Liabilities						
Segment Assets	56,023	275,957	28,446	2,490	-	362,916
Unallocated Assets	-	565	-	393	-	958
Total Assets	56,023	276,522	28,446	2,883	-	363,874
Segment Liabilities	14,244	125,690	4,291	40,748	-	184,973
Unallocated Liabilities	1,075	12,191	1,886	-	-	15,152
Total Liabilities	15,319	137,881	6,177	40,748	-	200,125
Capital Expenditure	201	3,886	826	17	-	4,930

