



**SINGAPORE FOOD INDUSTRIES LIMITED  
AND ITS SUBSIDIARIES**

**SGX “APPENDIX 7.2” ANNOUNCEMENT**

**AUDITED FINANCIAL STATEMENTS  
AND DIVIDEND ANNOUNCEMENT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR  
ENDED 31 DECEMBER 2008**

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***Responsibility Statement***

*The Directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects and that no material facts have been omitted which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources or as the case may be, accurately reflected or reproduced in this Announcement.*

**Singapore Food Industries Limited**

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## 1. Consolidated Income Statements

The Board of Directors announces the results of the Group for the 12 Months ended 31 December 2008. The full year results have been audited.

<b>S\$000</b>	<b>%</b>			<b>%</b>		
	<b>4Q 2008</b>	<b>4Q 2007</b>	<b>Change</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>Change</b>
<b>Continuing operations</b>						
Revenue	201,590	215,131	(6.3)	689,050	694,782	(0.8)
Cost of sales	(151,285)	(157,159)	(3.7)	(519,443)	(513,908)	1.1
<b>Gross profit</b>	<b>50,305</b>	<b>57,972</b>	<b>(13.2)</b>	<b>169,607</b>	<b>180,874</b>	<b>(6.2)</b>
Gross Margin %	25.0%	26.9%	(2.0)	24.6%	26.0%	(1.4)
Marketing, selling and distribution expenses	(13,912)	(14,257)	(2.4)	(46,573)	(47,999)	(3.0)
Administrative expenses	(17,216)	(17,465)	(1.4)	(58,200)	(59,131)	(1.6)
Other operating expenses	(3,832)	(4,367)	(12.3)	(14,726)	(18,032)	(18.3)
Total Operating & Administrative expenses	(34,960)	(36,089)	(3.1)	(119,499)	(125,162)	(4.5)
	15,345	21,883	(29.9)	50,108	55,712	(10.1)
Other income (net)	6,140	1,555	294.9	11,093	6,303	76.0
	21,485	23,438	(8.3)	61,201	62,015	(1.3)
Finance income	526	213	146.9	2,036	1,106	84.1
Finance expense	(1,343)	(4,469)	(69.9)	(4,255)	(7,160)	(40.6)
Net finance expense	(817)	(4,256)	(80.8)	(2,219)	(6,054)	(63.3)
<b>Profit before jointly-controlled entity and tax</b>	<b>20,668</b>	<b>19,182</b>	<b>7.7</b>	<b>58,982</b>	<b>55,961</b>	<b>5.4</b>
Share of results of jointly-controlled entity, net of tax	(5)	(5)	N.M.	(9)	(10)	N.M.
<b>Profit before income tax</b>	<b>20,663</b>	<b>19,177</b>	<b>7.7</b>	<b>58,973</b>	<b>55,951</b>	<b>5.4</b>
Income tax expense	(3,001)	(5,793)	(48.2)	(9,509)	(14,711)	(35.4)
<b>Profit after tax from continuing operations</b>	<b>17,662</b>	<b>13,384</b>	<b>32.0</b>	<b>49,464</b>	<b>41,240</b>	<b>19.9</b>
<b>Discontinued operations</b>						
Loss from discontinued operations, net of tax (See paragraph 7.5.5)	(13,574)	(1,275)	N.M.	(18,792)	(7,343)	N.M.
<b>Profit after taxation</b>	<b>4,088</b>	<b>12,109</b>	<b>(66.2)</b>	<b>30,672</b>	<b>33,897</b>	<b>(9.5)</b>
<b>Attributable to:</b>						
Equity holders of the Company	3,879	11,777	(67.1)	27,901	31,371	(11.1)
Minority interests	209	332	(37.0)	2,771	2,526	9.7
<b>Profit after taxation</b>	<b>4,088</b>	<b>12,109</b>	<b>(66.2)</b>	<b>30,672</b>	<b>33,897</b>	<b>(9.5)</b>
Profit after tax as a percentage of Turnover	2.0%	5.6%		4.5%	4.9%	
Net profit attributable to shareholders as a percentage of Issued Capital and Reserves at end of period	2.9%	3.6%		21.2%	20.3%	
<b>Earnings per share for profit attributable to the equity holders of the Company during the period</b>						
Basic (cents)	0.8	2.3		5.4	6.1	
Diluted (cents)#	0.8	2.3		5.4	6.1	
<b>Continuing operations</b>						
Basic (cents)	3.4	2.5		9.1	7.5	
Diluted (cents)#	3.4	2.5		9.1	7.5	

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

N.M. : Not meaningful

## 2. Balance Sheets

S\$'000	Group		Company	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
<b>Non-current assets</b>				
Property, plant & equipment	77,855	113,279	6,588	5,711
Intangible assets	59,271	69,558	-	-
Subsidiaries	-	-	102,732	105,042
Jointly-controlled entity	267	276	50	50
Other investments	15	207	-	-
Other assets	107	107	107	107
Deferred tax assets	1,032	957	326	391
	<b>138,547</b>	<b>184,384</b>	<b>109,803</b>	<b>111,301</b>
<b>Current assets</b>				
Inventories	51,611	51,029	35,031	26,633
Trade and other receivables	90,727	118,698	31,281	41,534
Cash and bank balances	34,250	26,221	5,845	10,888
	<b>176,588</b>	<b>195,948</b>	<b>72,157</b>	<b>79,055</b>
Non-current assets classified as held for sale	3,066	-	-	-
<b>Total assets</b>	<b>318,201</b>	<b>380,332</b>	<b>181,960</b>	<b>190,356</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	36,549	36,016	36,549	36,016
Reserves	95,296	118,288	47,662	51,836
	<b>131,845</b>	<b>154,304</b>	<b>84,211</b>	<b>87,852</b>
<b>Minority interest</b>	<b>10,123</b>	<b>10,551</b>	-	-
<b>Total equity</b>	<b>141,968</b>	<b>164,855</b>	<b>84,211</b>	<b>87,852</b>
<b>Non-current liabilities</b>				
Financial liabilities (See note 2.3)	9,754	24,632	-	-
Deferred tax liabilities	2,039	3,736	-	-
	<b>11,793</b>	<b>28,368</b>	-	-
<b>Current liabilities</b>				
Financial liabilities (See note 2.3)	53,616	45,310	35,487	24,100
Trade and other payables	101,722	127,294	60,814	73,455
Current tax payable	9,102	14,505	1,448	4,949
	<b>164,440</b>	<b>187,109</b>	<b>97,749</b>	<b>102,504</b>
<b>Total liabilities</b>	<b>176,233</b>	<b>215,477</b>	<b>97,749</b>	<b>102,504</b>
<b>Total equity and liabilities</b>	<b>318,201</b>	<b>380,332</b>	<b>181,960</b>	<b>190,356</b>

### 2.1 Notes to Balance Sheet

The Group balance sheet as at 31 December 2008 excluded that of Schulz Fisheries Pty Ltd (“Schulz”), SFI Industries Pty Ltd (“SFII”) and Swissco Limited (“Swissco”) with the divestment of Schulz in July 2008, the voluntary winding up of SFII in September 2008 and the insolvent liquidation of Swissco in December 2008.

Certain leasehold land and building (\$3.1 million) held by Shanghai ST Food (“SSTFI”) have been presented as held for sale following the completion of the property and relocation compensation agreement concluded with the Chinese authority for

RMB 24 million (equivalent to S\$5,089,000) in December 2008 (the "settlement"). The settlement is expected to be fully concluded when SSTFI vacates the leasehold building in March 2009.

The decrease in reserves of \$23.0 million is mainly due to the translation of assets and liabilities in overseas subsidiaries. This resulted in a decrease of foreign currency translation reserve of \$22.5 million for the year.

Non-current financial liabilities decreased \$14.8 million to \$9.8 million. \$4.9 million was due to excluding liabilities as a consequence of Swissco entering into insolvent liquidation, while another \$8.1 million was due to reclassification from non-current to current liabilities in Daniels.

Current financial liabilities increased \$8.3 million due to increased borrowings at the Company level and a transfer from non-current to current liabilities as explained above. Bank borrowings in the Company increased \$10.5 million as a result of the payment of dividends totalling \$35.1 million (FY 2007: \$25.6 million) during the year and additional funding due to higher inventory holdings. Inventory levels had increased by \$8.4 million compared to the last year end, due to significantly poorer market conditions over the traditional year-end peak period.

## 2.2 Net Asset Value Per Ordinary Share

	Group		Company	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net Asset Value Per Ordinary Share (Cents)	25.5	29.9	16.3	17.0

## 2.3. Financial Liabilities

<u>SS'000</u>	<u>Group</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>
<b><u>Amount repayable within one year:</u></b>		
-Secured bank loans	10,285	12,654
-Unsecured bank loans	36,739	26,146
-Finance lease liabilities	251	468
-Secured bank overdrafts	1,155	3,442
-Provision for financial guarantee*	3,487	2,600
-Financial derivatives	1,699	-
	<u>53,616</u>	<u>45,310</u>
<b><u>Amount repayable after one year but within five years:</u></b>		
-Secured bank loans	9,381	23,723
-Finance lease liabilities	373	909
	<u>9,754</u>	<u>24,632</u>
Total	<u>63,370</u>	<u>69,942</u>

**\*Provision for financial guarantee**

In December 2008, a subsidiary in Ireland was placed under liquidation. The amount of \$3,487,000 recognised represents the contractual obligation for a financial guarantee contract issued to a bank in relation to the said subsidiary determined in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The provision recorded is based on the outstanding financial obligation owing to a bank by the subsidiary less estimated proceeds from the realisation of assets from the liquidation proceedings.

During the year, the Company reversed the provision for a financial guarantee contract issued to a subsidiary in China first recognised in 2007. The reversal arose upon the completion of the property and relocation compensation agreement concluded with a Chinese authority for RMB24 million (equivalent to \$5,089,000) in December 2008 ("the settlement"). With this settlement, the fair value less costs to sell of the assets of the subsidiary assessed is more than sufficient to discharge the outstanding bank borrowings drawdown by the subsidiary. Prior to the settlement, the estimated recoverable amount of these assets was insufficient to repay the outstanding bank borrowings, and a provision of \$2,600,000 had been recognised at that time.

**3 Consolidated Cash Flow Statement**

SS'000	4Q 2008	4Q 2007	FY 2008	FY 2007
<b>Profit after tax</b>	<b>4,088</b>	<b>12,109</b>	<b>30,672</b>	<b>33,897</b>
Adjustments for:				
Depreciation of property, plant and equipment	4,414	5,555	16,641	19,413
Amortisation of intangible assets	243	497	1,759	2,029
Interest expense	922	1,333	3,993	4,691
Interest income	(74)	(186)	(806)	(512)
Share of results of jointly-controlled entity	5	5	9	10
Income tax expense	3,011	5,793	9,519	14,711
<b>EBITDA</b>	<b>12,609</b>	<b>25,106</b>	<b>61,787</b>	<b>74,239</b>
Allowance for stock obsolescence	531	943	1,803	2,799
Allowance for doubtful receivables	365	(88)	488	49
Gain on disposal of property, plant and equipment	(6,343)	(956)	(6,362)	(1,228)
Gain on disposal of intangible assets	-	-	(24)	-
Impairment loss on property, plant and equipment	11	-	342	-
Impairment loss on intangible assets	-	20	439	1,132
Fair value losses on financial derivatives	1,699	-	1,699	-
Inventories write-down/written off	1,653	589	2,590	1,203
(Gain)/loss on remeasurement of financial guarantee	(2,600)	2,600	(2,600)	2,600
Loss on liquidation of discontinued operations, net of tax	10,957	-	10,957	-
Gain on disposal/liquidation of subsidiaries	-	-	(492)	-
Equity compensation costs	72	102	514	238
Unrealised foreign exchange (gains)/losses	(524)	119	(970)	(39)
<b>Operating profits before working capital changes</b>	<b>18,430</b>	<b>28,435</b>	<b>70,171</b>	<b>80,993</b>
Changes in working capital:				
Inventories	(11,159)	(1,813)	(12,652)	(16,643)
Trade and other receivables	(6,016)	(19,459)	(1,496)	(19,106)
Trade and other payables	16,974	12,352	5,088	15,015
Cash generated from operations	18,229	19,515	61,111	60,259
Income taxes paid	(2,900)	(3,446)	(14,988)	(15,483)
<b>Cash flows from operating activities</b>	<b>15,329</b>	<b>16,069</b>	<b>46,123</b>	<b>44,776</b>
<b>Investing Activities</b>				
Purchase of property, plant and equipment	(1,661)	(2,716)	(12,926)	(8,876)
Liquidation of discontinued operations, net of cash disposed of	1,081	-	1,081	-
Disposal/liquidation of subsidiaries, net of cash disposed of	-	-	1,084	-
Settlement of deferred consideration on acquisition of subsidiary	-	(5,196)	-	(6,327)
Interest received	74	186	806	512
Proceeds from disposal of intangible assets	0	-	106	-
Proceeds from disposal of property, plant and equipment	7,405	832	7,688	1,717
<b>Cash flows from investing activities</b>	<b>6,899</b>	<b>(6,894)</b>	<b>(2,161)</b>	<b>(12,974)</b>
<b>Financing Activities</b>				
Proceeds from issuance of new shares	316	1	533	1,520
Proceeds from bank loans	5,081	5,526	14,711	21,757
Repayment of bank loans and finance lease obligations	(7,910)	(7,112)	(9,742)	(19,347)
Interest paid	(922)	(1,333)	(3,993)	(4,691)
Dividends paid	(1)	-	(35,102)	(25,559)
Dividends paid to minority shareholders of a subsidiary	(752)	(627)	(752)	(627)
<b>Cash flows from financing activities</b>	<b>(4,188)</b>	<b>(3,545)</b>	<b>(34,345)</b>	<b>(26,947)</b>
<b>Net increase in cash and cash equivalents</b>	<b>18,040</b>	<b>5,630</b>	<b>9,617</b>	<b>4,855</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>17,428</b>	<b>21,040</b>	<b>26,221</b>	<b>21,438</b>
<b>Effect of exchange rate changes on balances held in foreign currencies</b>	<b>(1,218)</b>	<b>(449)</b>	<b>(1,588)</b>	<b>(72)</b>
<b>Cash &amp; cash equivalents at end of the period</b>	<b>34,250</b>	<b>26,221</b>	<b>34,250</b>	<b>26,221</b>

### 3.1 Notes to Consolidated Cash Flow Statement

Operating cash flows at \$70.2 million before working capital changes was \$10.8 million lower due to lower profits. Including working capital changes, net operating cash flows was \$1.3 million higher as a result of lower working capital requirements compared to FY 2007. Capital expenditures totalled \$13.0 million (FY 2007: \$8.9 million), with \$4.3 million spent for the Singapore operations and \$7.8 million for the UK operations.

During the year, a total of \$35.1 million (FY 2007: \$25.6 million) were paid in respect of FY 2007's dividends (\$25.8 million) and in respect of FY 2008 interim dividends (\$9.3 million).

The effects of the liquidation on individual assets and liabilities of the Group are as follows:

<u>S\$'000</u>	<u>Swissco</u>
Property, plant and equipment	(9,015)
Inventories	(2,413)
Trade and other receivables	(4,891)
Cash and cash equivalents	1,081
Trade and other payables	31,966
Net identifiable liabilities	16,728
Provision for financial guarantee on bank loan	(3,487)
Provision for return on Government grant	(3,180)
Write-off of loan receivables owing by Swissco	(24,086)
Foreign currency translation reserve	3,068
Loss on liquidation	10,957
Total consideration	-
Bank overdrafts disposed of	1,081
Net cash flows	1,081

The disposal and liquidation of subsidiaries was shown in the statement as a single item. The individual assets and liabilities at the date of disposal/liquidation are set out below:

<u>S\$'000</u>	<u>Schulz</u> <u>Disposal</u>	<u>SFII</u> <u>Liquidation</u>	<u>Total</u>
Property, plant and equipment	99	-	99
Intangible assets	444	-	444
Other assets	186	-	186
Inventories	143	-	143
Trade and other receivables	2,407	-	2,407
Cash	799	2,212	3,011
Trade and other payables	(125)	-	(125)
Net assets disposed of	3,953	2,212	6,165
Less: Minority Interest	(2,562)	-	(2,562)
	1,391	2,212	3,603
Gain on disposal/liquidation	435	57	492
Cash consideration	1,826	2,269	4,095
Cash of subsidiaries disposed/liquidated	(799)	(2,212)	(3,011)
Net cash flows on disposal/liquidation	1,027	57	1,084

## 4. Statement of Changes in Equity

	Share capital	Capital Reserve	Merger Reserve	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Foreign currency translation reserve	Accumulated profits	Total attributable to equity holders of the parent	Minority interest	Total equity
<b>The Group (S\$'000)</b>												
At 1 January 2007	34,496	9,212	2,245	1,004	546	(654)	(409)	5,601	96,382	148,423	8,546	156,969
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	-	(1,431)	-	(1,431)	106	(1,325)
Net losses recognised directly in equity	-	-	-	-	-	-	-	(1,431)	-	(1,431)	106	(1,325)
Net profit for the year	-	-	-	-	-	-	-	-	31,371	31,371	2,526	33,897
Total recognised income and expense for the year	-	-	-	-	-	-	-	(1,431)	31,371	29,940	2,632	32,572
Issue of shares under share options	1,520	-	-	-	-	-	-	-	-	1,520	-	1,520
Fair value adjustment on performance share issued	-	-	-	-	109	-	(109)	-	-	-	-	0
Value of employee services received for issue of share option and performance shares	-	-	-	296	(58)	-	-	-	-	238	-	238
Dividends	-	-	-	0	0	-	-	-	(25,817)	(25,817)	(627)	(26,444)
<b>At 31 December 2007</b>	<b>36,016</b>	<b>9,212</b>	<b>2,245</b>	<b>1,300</b>	<b>597</b>	<b>(654)</b>	<b>(518)</b>	<b>4,170</b>	<b>101,936</b>	<b>154,304</b>	<b>10,551</b>	<b>164,855</b>

	Share capital	Capital Reserve	Merger Reserve	Employee share options reserve	Equity compensation reserve	Treasury shares	Other reserve	Foreign currency translation reserve	Accumulated profits	Total attributable to equity holders of the parent	Minority interest	Total equity
<b>The Group (S\$'000)</b>												
At 1 January 2008	36,016	9,212	2,245	1,300	597	(654)	(518)	4,170	101,936	154,304	10,551	164,855
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	-	(22,525)	-	(22,525)	115	(22,410)
Disposal of subsidiaries	-	-	-	-	-	-	-	(3,068)	-	(3,068)	(2,562)	(5,630)
Net losses recognised directly in equity	-	-	-	-	-	-	-	(25,593)	-	(25,593)	(2,447)	(28,040)
Net profit for the year	-	-	-	-	-	-	-	-	27,901	27,901	2,771	30,672
Total recognised income and expense for the year	-	-	-	-	-	-	-	(25,593)	27,901	2,308	324	2,632
Issue of shares under share options	533	-	-	-	-	-	-	-	-	533	-	533
Value of employee services received for issue of share option, performance shares and restricted shares	-	-	-	353	161	-	-	-	-	514	-	514
Dividends	-	-	-	-	-	-	-	-	(25,814)	(25,814)	(752)	(26,566)
<b>At 31 December 2008</b>	<b>36,549</b>	<b>9,212</b>	<b>2,245</b>	<b>1,653</b>	<b>758</b>	<b>(654)</b>	<b>(518)</b>	<b>(21,423)</b>	<b>104,023</b>	<b>131,845</b>	<b>10,123</b>	<b>141,968</b>

## 4.1 Statement of Changes in Equity (Continued)

	Share capital	Employee share options reserve	Equity compensation reserve	Treasury shares*	Other reserve	Accumulated profits	Total equity
<b>The Company (S\$'000)</b>							
At 1 January 2007	34,496	1,004	546	(654)	(409)	64,458	99,441
Profit for the year	-	-	-	-	-	12,470	12,470
Total recognised income and expense for the year	-	-	-	-	-	12,470	12,470
Issue of shares under share options	1,520	-	-	-	-	-	1,520
Fair value adjustment on performance share issued	-	-	109	-	(109)	-	0
Value of employee services received for issue of share options and performance shares	-	296	(58)	-	-	-	238
Dividends	-	-	-	-	-	(25,817)	(25,817)
<b>At 31 December 2007</b>	<b>36,016</b>	<b>1,300</b>	<b>597</b>	<b>(654)</b>	<b>(518)</b>	<b>51,111</b>	<b>87,852</b>

	Share capital	Employee share options reserve	Equity compensation reserve	Treasury shares*	Other reserve	Accumulated profits	Total equity
<b>The Company (S\$'000)</b>							
At 1 January 2008	36,016	1,300	597	(654)	(518)	51,111	87,852
Profit for the year	-	-	-	-	-	21,126	21,126
Total recognised income and expense for the year	-	-	-	-	-	21,126	21,126
Issue of shares under share options	533	-	-	-	-	-	533
Value of employee services received for issue of share options, performance shares and restricted shares	-	353	161	-	-	-	514
Dividends	-	-	-	-	-	(25,814)	(25,814)
<b>At 31 December 2008</b>	<b>36,549</b>	<b>1,653</b>	<b>758</b>	<b>(654)</b>	<b>(518)</b>	<b>46,423</b>	<b>84,211</b>

\* The Company does not hold any treasury shares falling within the meaning prescribed in Section 76H of the Companies Act.

## 4.2 Changes in Company's Capital

During the year, the Company issued and allotted 723,150 ordinary shares for cash at prices ranging from \$0.55 to \$0.886 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 31 December 2008, there were unexercised options for 25,428,760 (31 December 2007: 25,490,755) ordinary shares under the SFI Share Option Plan.

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

S\$'000	FY 2008	FY 2007
Profit after tax	30,672	33,897
Income tax expense	9,519	14,711
Adjustments for:		
Increase/(Decrease) in allowance for doubtful debts	139	(218)
Increase/(Decrease) in allowance for stock obsolescence	(401)	152
Amortisation of intangible assets	1,759	2,029
Interest expense	3,993	4,691
Interest expense on non-capitalised leases	247	108
Adjusted Earnings Before Income Tax	45,928	55,370
Less Cash Operating Taxes	11,653	15,710
Net Operating Profit After Tax (NOPAT)	34,275	39,660
Average EVA Capital Employed	256,917	242,576
Weighted Average Cost of Capital	6.6%	6.9%
Capital Charge	16,957	16,738
Economic Value Added (EVA)	17,318	22,922
<i>EVA excluding Swissco closure costs</i>	<i>28,275</i>	
Return on EVA Capital	13.3%	16.3%
<i>Return on EVA Capital excluding Swissco closure costs</i>	<i>17.6%</i>	
EVA Spread	6.7%	9.4%
<i>EVA Spread excluding Swissco Closure costs</i>	<i>11.0%</i>	

### 5.1 Notes on EVA Statement

EVA for FY 2008 at \$17.3 million was 24.4 per cent lower than FY 2007 as a result of lower operating profits, which included a \$11.0 million loss recorded on closure of Swissco. Capital charge was slightly higher at \$17.0 million because of higher average EVA Capital during the year as a result of higher revenue reserves and higher bank borrowings. The return on EVA Capital is 13.3 per cent compared with 16.3 per cent for FY 2007. This gives an EVA Spread (Return on EVA Capital less WACC) of 6.7 per cent (FY 2007: 9.4 per cent). Excluding the closure loss from Swissco, EVA for the year would have been \$28.3 million with an EVA spread of 11.0 per cent versus FY 2007's 9.4 per cent.

## 6. Dividends

The Directors are pleased to announce that a final dividend of 3.2 cents per share tax exempt (one-tier) [2007: final dividend of 3.2 cents per share tax exempt (one-tier)], has been proposed in respect of the financial year ended 31 December 2008.

This is subject to the approval of shareholders at the Company's coming Annual General Meeting. Shareholders should note the recent change of the Company's majority shareholder, as set out in greater detail in paragraph 9.1 of this announcement. Shareholders should also note that in the Offer Document dated 6 February 2009 dispatched to shareholders by Singapore Airport Terminal Services Limited ("SATS") on 9 February 2009, SATS has stated that "the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive the SFI 2008 Dividend, if any. In the event any SFI 2008 Dividend has been paid by SFI to a Shareholder who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such SFI 2008 Dividend paid by SFI to such accepting Shareholder." Shareholders should refer to the Offer Document for full details.

### Annual General Meeting

The Company's Annual General Meeting is planned for 23 April 2009.

### Book Closure Date

A separate announcement will be released in due course informing shareholders of the Book Closure Date.

### Annual dividend

	Company	
	2008	2007
	\$'000	\$'000
Interim dividend paid 1.8 cents per share tax exempt (one-tier) [2007: 1.8 cents per share tax exempt (one-tier)]	9,293	9,288
Proposed final dividend 3.2 cents per share tax exempt (one-tier) [2007: 3.2 cents paid per share tax exempt (one-tier)]	16,536	16,521
	<u>25,829</u>	<u>25,809</u>

The FY 2008 proposed final dividend has not been provided for in the financial statements.

## 7. Review of Performance of the Group

### Summary by Geographical Regions

#### TURNOVER

##### SS'000

	4Q 2008	4Q 2007	+ / (-) %	FY 2008	FY 2007	+ / (-) %
Singapore	65,707	66,012	(0.5)	269,781	246,530	9.4
United Kingdom	120,391	130,189	(7.5)	377,969	403,210	(6.3)
Others	15,492	18,930	(18.2)	41,300	45,042	(8.3)
Total Overseas	135,883	149,119	(8.9)	419,269	448,252	(6.5)
Continuing operations	201,590	215,131	(6.3)	689,050	694,782	(0.8)
Discontinued operations	4,990	6,353	(21.5)	18,262	20,101	(9.1)
Total operations	206,580	221,484	(6.7)	707,312	714,883	(1.1)

#### PBT

##### SS'000

	4Q 2008	4Q 2007	+ / (-) %	FY 2008	FY 2007	+ / (-) %
Singapore	5,134	2,798	83.5	28,303	23,074	22.7
United Kingdom	15,138	14,718	2.9	27,177	29,350	(7.4)
Others	396	1,666	(76.2)	3,502	3,537	(1.0)
Total Overseas	15,534	16,384	(5.2)	30,679	32,887	(6.7)
Continuing operations	20,668	19,182	7.7	58,982	55,961	5.4
Discontinued operations	(13,564)	(1,275)	N.M.	(18,782)	(7,343)	N.M.
Total operations	7,104	17,907	(60.3)	40,200	48,618	(17.3)
PBT %-Total operations	3.4%	8.1%	(4.6%)	5.7%	6.8%	(1.1%)
PBT %-Continuing operations	10.3%	8.9%	1.3%	8.6%	8.1%	0.5%

## 7.1 Overview

FY 2008 Group turnover from continuing operations declined 0.8 per cent over FY 2007 to \$689.1 million due to significantly lower Sterling Pound exchange rate compared to FY 2007. Using the same exchange rate as in FY 2007, Group sales from continuing operations would have been \$747.3 million (\$58.2 million higher), registering a 7.6 per cent growth and overseas sales would have been 6.5 per cent higher.

Profit before tax ("PBT") from continuing operations increased \$3.0 million (or 5.4 per cent) to \$59.0 million, boosted by a net gain of \$5.5 million from one-offs as follows:

<b><u>(\$S'000)</u></b>	<b>4Q 2008</b>	<b>4Q 2007</b>	<b>FY 2008</b>	<b>FY 2007</b>
<b><u>Singapore</u></b>				
Reversal of financial guarantee provided in FY 2007	2.6	(2.6)	2.6	(2.6)
Stock write-down	(1.1)	-	(1.1)	-
Others (including one-off expenses, gain from disposal of subsidiary)	(0.9)	(0.7)	(1.8)	0.1
	<b>0.6</b>	<b>(3.3)</b>	<b>(0.3)</b>	<b>(2.5)</b>
<b><u>United Kingdom</u></b>				
Gain on sale of property	4.2	-	4.2	-
Fair value loss on financial instrument	(1.7)	-	(1.7)	-
Others	(0.0)	-	(0.3)	-
	<b>2.5</b>	<b>-</b>	<b>2.2</b>	<b>-</b>
<b><u>Others</u></b>				
Grants received by Australian subsidiaries	(0.3)	-	4.0	4.4
Others (Impairment losses, gains/(losses) on disposal of property/subsidiary)	(0.0)	0.8	(0.4)	(1.1)
	<b>(0.3)</b>	<b>0.8</b>	<b>3.6</b>	<b>3.4</b>
	<b>2.7</b>	<b>(2.5)</b>	<b>5.5</b>	<b>0.8</b>

Excluding the above one-offs, PBT would have been \$53.5 million (3.0 per cent lower than FY 2007), due to the significantly lower Sterling Pound exchange rate. Using the same exchange rate as in FY 2007 and excluding the one-offs, PBT of continuing operations would have been \$57.5 million or 4.3 per cent higher.

Similarly, 4Q 2008 results compared to 4Q 2007 were affected by the one-offs and the significantly weaker Sterling Pound exchange rate. Using the same exchange rate as 4Q 2007, sales of continuing operations would have registered a growth of 6.8 per cent increase instead of the reported 6.3 per cent decline. Excluding the one-offs and using the same exchange rate as 4Q 2007, PBT of continuing operations for the quarter would be \$20.4 million (4Q 2007:\$21.7 million excluding one-offs) registering a decline of 6.1 per cent.

