Singapore Food Industries Limited

1Q 2006 Performance Review

Joint Media/Analysts Briefing

by

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20 April, 2006

Overview

(1Q2006 vs 1Q2005)

- Sales in 1Q2006 increased 3.6% to $150.0m (1Q2005: $144.8m)
- PBT for 1Q2006 decreased 18.3% to $10.8m (1Q2005:$13.2m)
- PATMI decreased 22.9% to $7.1m (1Q2005: $9.2m)
- Overseas turnover grew 4.0% over 1Q2005 while Singapore turnover increased 3.1%

- 1Q 2006 results affected by:
  - Exchange translation loss on liquidation of a dormant subsidiary, $0.6m (one-off)
  - Significantly lower pig numbers for Abattoir & Hog Auction operations
  - A 7.7% strengthening of Singapore Dollar against Sterling Pound resulted in lower than anticipated translated earnings from UK subsidiaries

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Financial Highlights

Mastering the Competitive Landscape

Financial Highlights (1Q2006 vs 1Q2005)

$'m	1Q2006	1Q2005	% ▲
Turnover	150.0	144.8	3.6
Gross Margins(%)	27.2	29.2	(2.0)
PBT	10.8	13.2	(18.3)
PATMI	7.1	9.2	(22.9)
Net margins (%)	5.0	6.6	(1.6)
Earnings per share (cents)	1.4	1.8	(23.6)
Economic Value Added	5.2	6.9	(25.7)
EVA Spread (%)	9.2	13.1	(3.9)

Financial Highlights (1Q2006 vs 1Q2005)

	1Q2006	1Q2005	% ▲
ROE (%)	20.1	27.5	(7.4)
ROTA (%)	10.2	12.6	(2.4)
Interest Cover (times)	13.5	15.5	(13.0)
Debt/Equity Ratio	0.4	0.4	
Net Assets per Share (cents)	28.3	27.4	3.2
EBITDA ($'m)	15.3	19.3	(20.5)
Capex ($'m)	1.6	4.9	(68.5)

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Segmental Results

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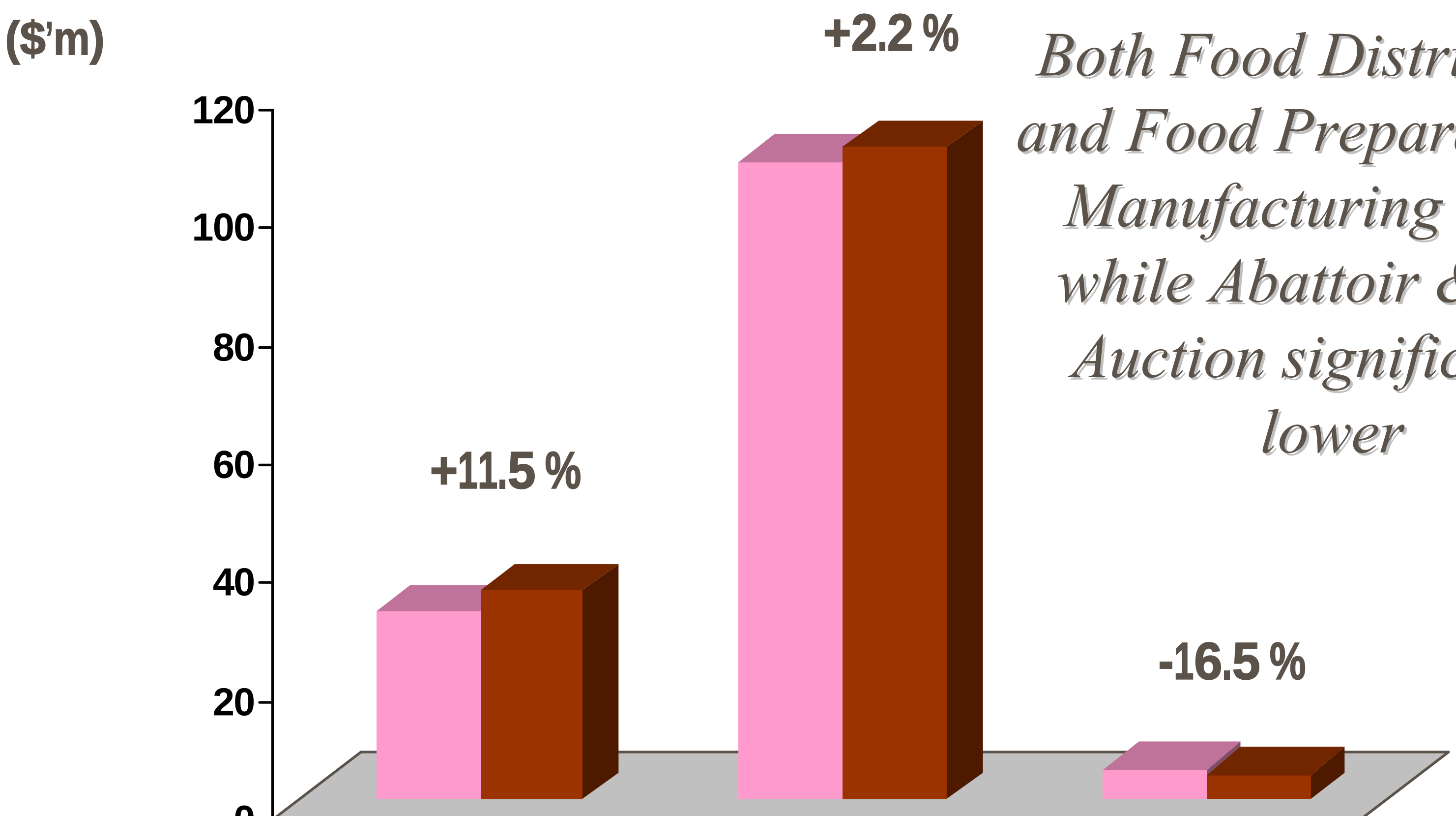
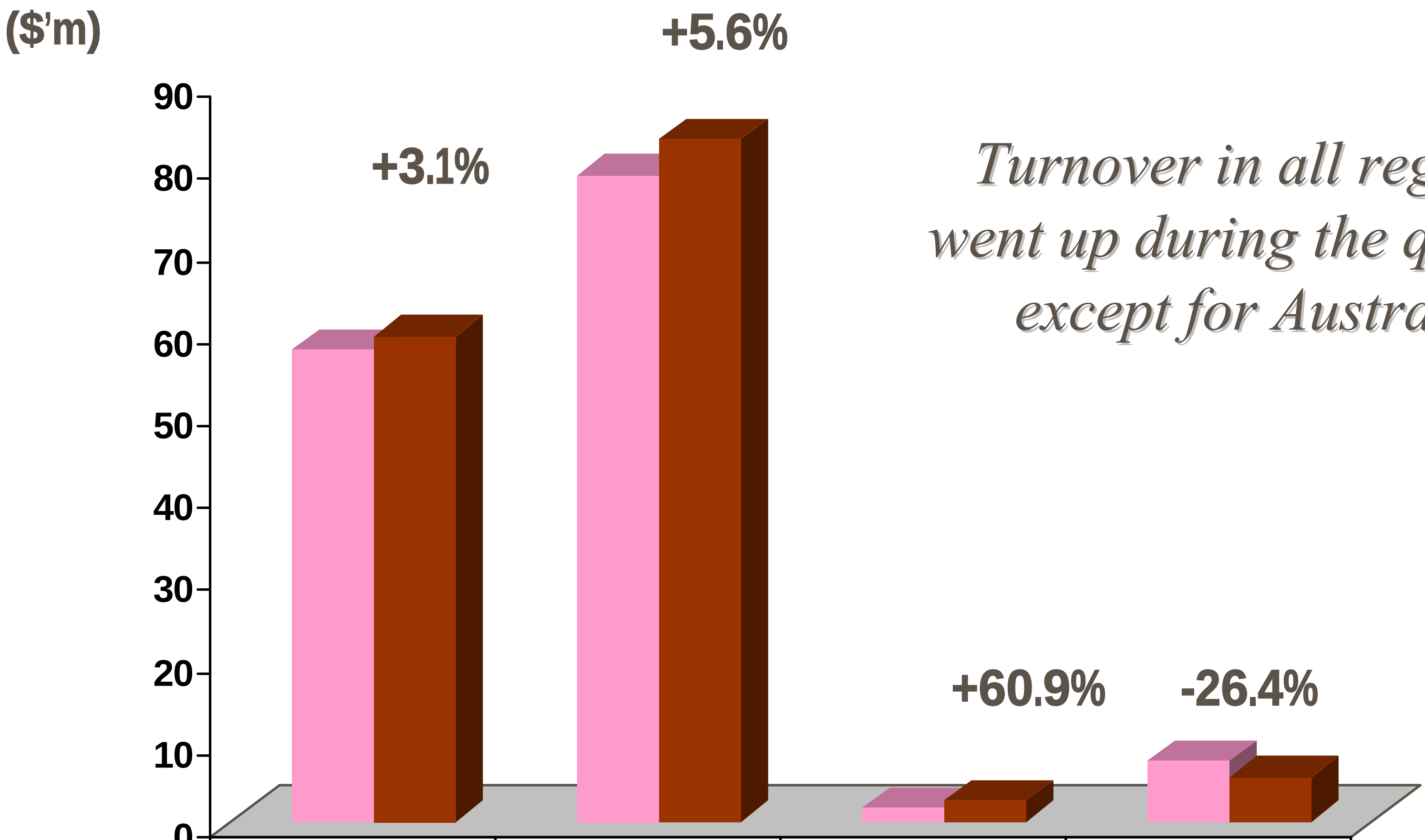
Turnover by Business Activity
(1Q2006 vs 1Q2005)



	Food Distribution	Food Prep, Mfg & Processing	Abattoir & Hog Auction
1Q 2005	31.8	107.9	5.1
1Q 2006	35.4	110.3	4.3

Both Food Distribution and Food Preparation & Manufacturing grew, while Abattoir & Hog Auction significantly lower

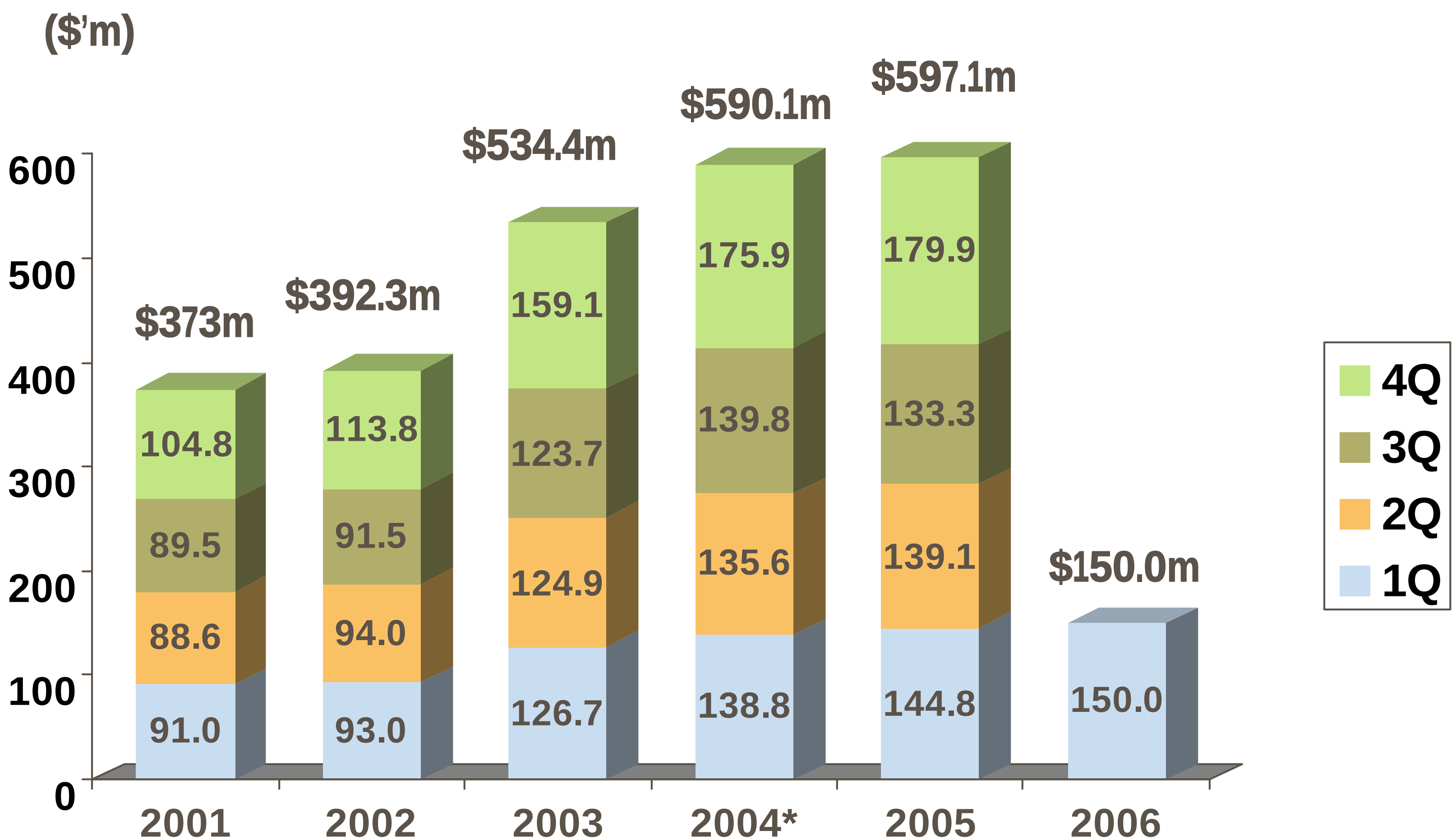
Turnover by Geographical Region
(1Q2006 vs 1Q2005]



Turnover in all regions went up during the quarter except for Australia

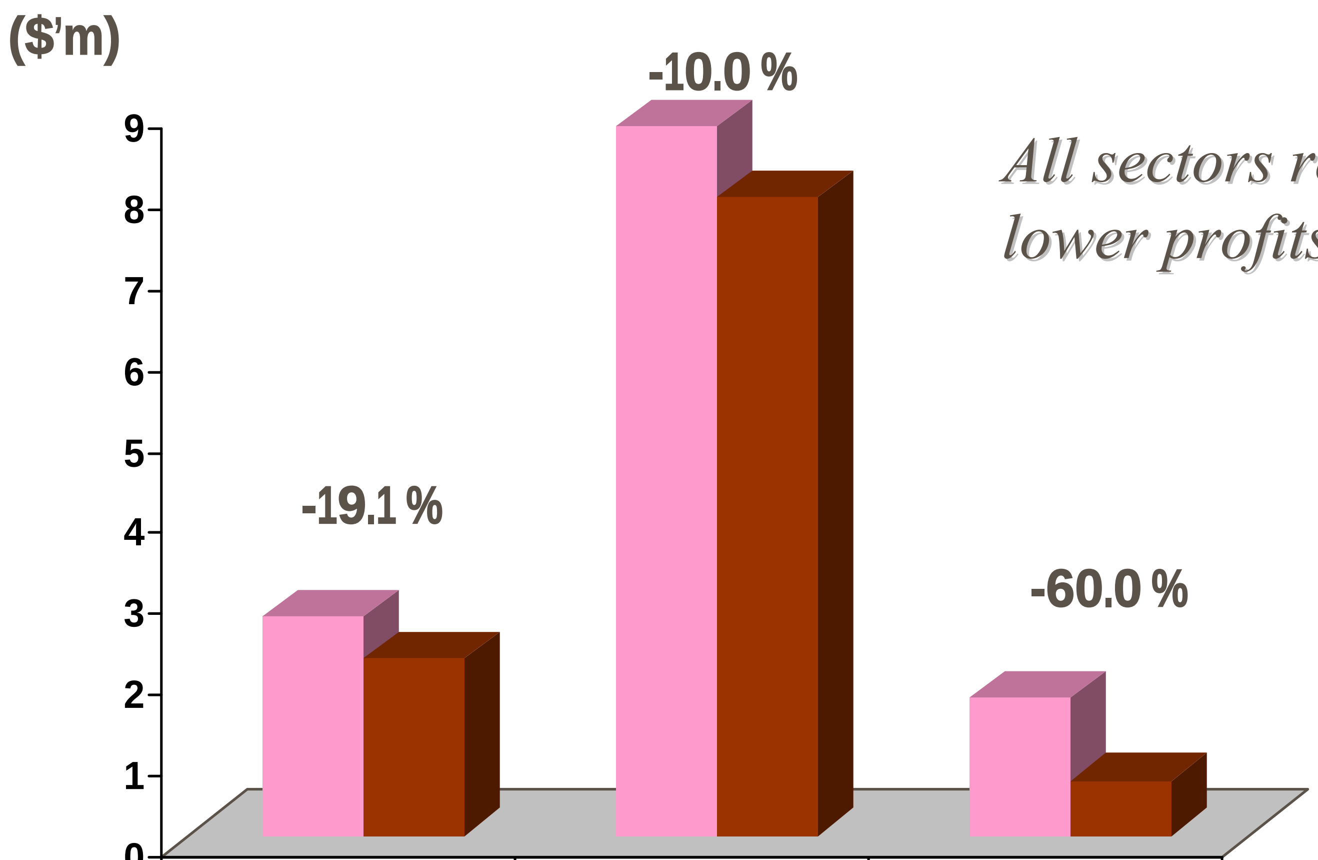
	Singapore	UK/Europe	China	Australia
1Q 2005	57.3	78.6	1.6	7.3
1Q 2006	59.1	83.0	2.5	5.4

Turnover by Quarters



* Restated

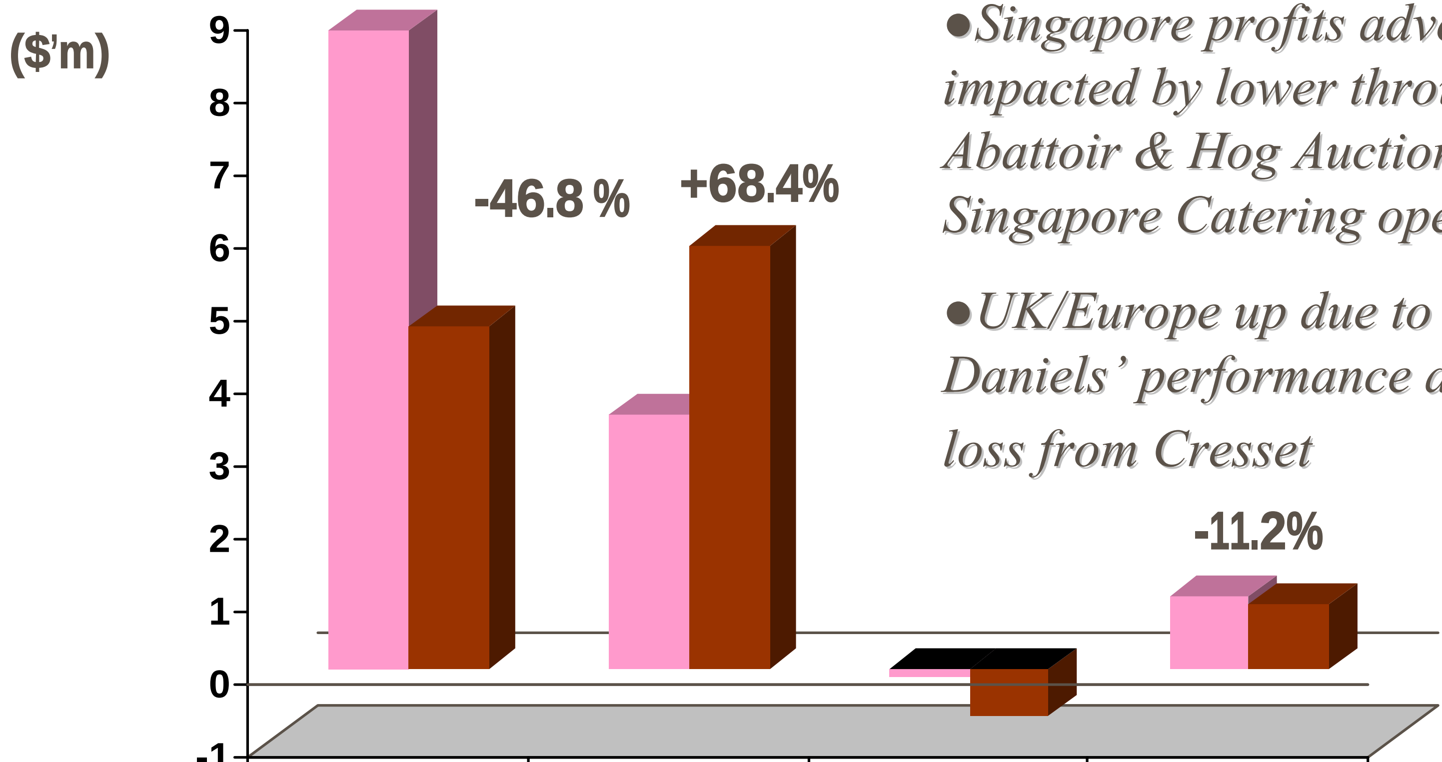
PBT by Business Activity
(1Q2006 vs 1Q2005)



All sectors registered lower profits

	Food Distribution	Food Prep, Mfg & Processing	Abattoir & Hog Auction
1Q 2005	2.7	8.8	1.7
1Q 2006	2.2	7.9	0.7

PBT by Geographical Region
(1Q2006 vs 1Q2005)

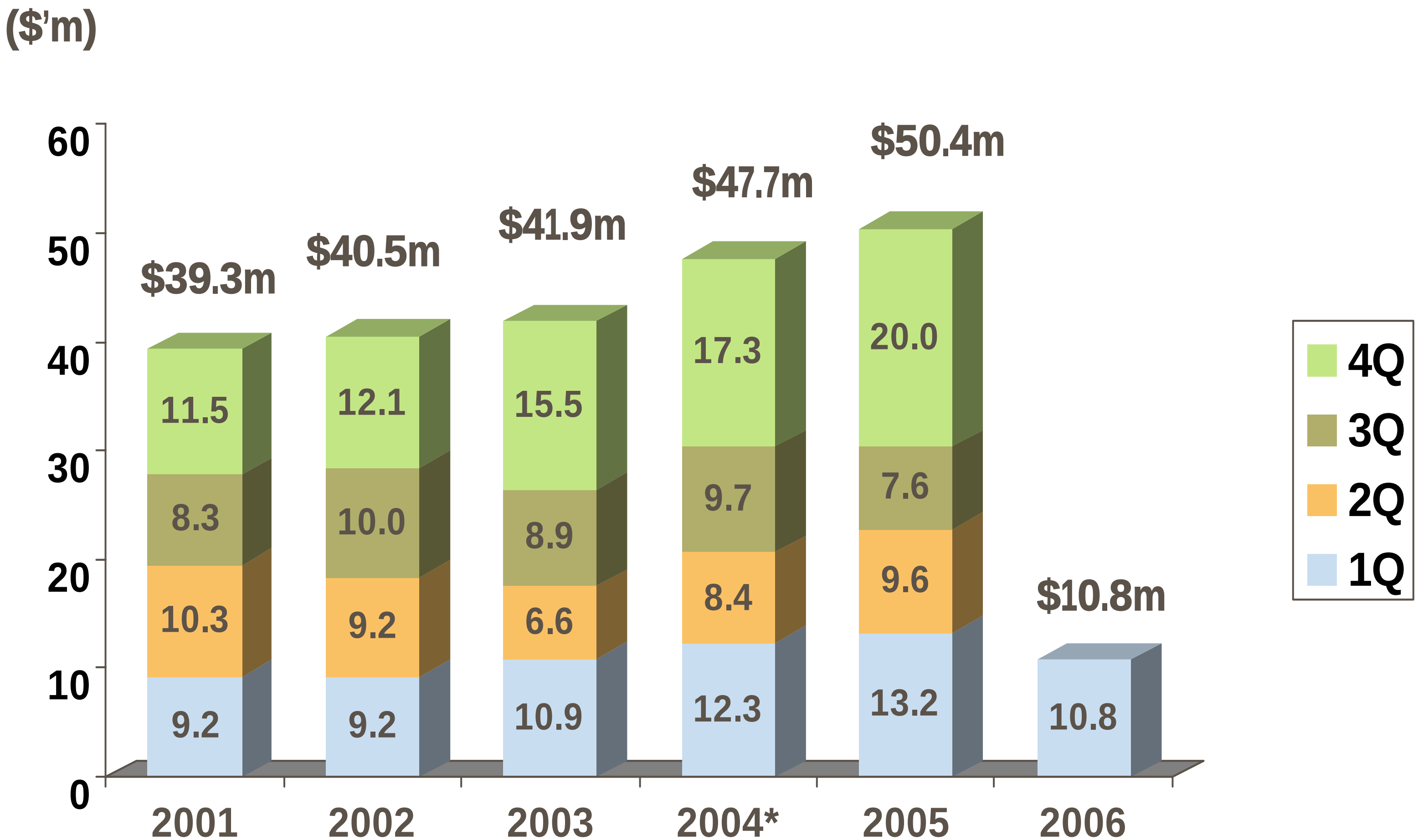


	Singapore	UK/Europe	China & Others*	Australia
1Q 2005	8.8	3.5	-0.1	1.0
1Q 2006	4.7	5.8	-0.6	0.9

- *Singapore profits adversely impacted by lower throughput at Abattoir & Hog Auction and Singapore Catering operations*
- *UK/Europe up due to strong Daniels' performance and lower loss from Cresset*

•1Q2006 included \$0.6m loss on voluntary winding up of dormant Malaysian subsidiary. Loss relates to past exchange translation differences realised upon liquidation. No cash flow impact.

PBT by Quarters



* Restated

EVA, Cash Flows and Balance Sheet Highlights

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EVA Statement

(1Q2006 vs 1Q2005)

S$'000	1Q 2006	1Q 2005
Profit Before Taxation	10,797	13,210
Adjustments for:		
Increase/(Decrease) in general provision for doubtful debts	27	(265)
Increase/(Decrease) in general provision for stock obsolescence	(1)	(9)
Interest expense	865	913
Interest expense on non-capitalised leases	27	26
Unusual Item	648	0
Adjusted Earnings Before Income Tax	12,363	13,875
Less Cash Operating Taxes	3,277	3,595
Net Operating Profit After Tax (NOPAT)	9,086	10,280
Average EVA Capital Employed	224,473	212,110
Weighted Average Cost of Capital	7.0%	6.3%
Capital Charge	3,928	3,342
Economic Value Added (EVA)	**5,158**	**6,938**

Group Cash Flow Statement
(1Q2006 vs 1Q2005)

S$'000	1Q 2006	1Q 2005
Profit before taxation	**10,797**	**13,210**
EBITDA Adjustments:		
Share of results of a jointly controlled entity	1	1
Interest expense	865	913
Interest income	(154)	(101)
Depreciation and amortisation	3,805	5,252
EBITDA	**15,314**	**19,275**
Gain on disposal of property, plant and equipment and intangible assets	(392)	(40)
Loss on liquidation of a dormant subsidiary	648	0
Provision for dimimution in value of other financial assets	9	15
Provision for fair value of share-based compensation expenses	205	138
Changes in Working Capital	(6,890)	4,429
Income taxes paid	(3,035)	(1,617)
Net Cash Flow from Operating Activities	5,859	22,200
Net Cash Flow from Investing Activities	(422)	(4,790)
Net Cash Flow from Financing Activities	(7,646)	(13,123)
Net Cash Flow	**(2,209)**	**4,287**
Cash and Bank Balances at end of period	**16,475**	**19,981**

Lower EBITDA and higher working capital requirements (including taxation) resulted in lower net operating cash flows

Consolidated Balance Sheet

S$'000	March 2006	December 2005
Property, Plant & Equipment	125,705	130,923
Intangible assets	45,659	46,466
JV & other long term assets	1,345	1,766
Inventories	35,623	39,327
Trade & other receivables	93,990	93,884
Cash and bank balances	16,475	18,810
Bank overdrafts	(3,042)	(1,447)
Trade & other payables	(91,245)	(110,198)
Current portion of bank loans	(37,811)	(37,983)
Provision for taxation	(15,900)	(15,988)
Long Term Liabilities	(16,794)	(18,274)
	154,005	147,286
Share Capital & Reserves	144,772	138,246
Minority Interests	9,233	9,040
	154,005	147,286

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Operations Review

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Food Distribution

for the three months ended 31 March 2006

- 1Q2006 Sales of $35.4m from Food Distribution were higher by $3.7m (or 11.5%)
- Sales to ship supplies, food service and exports increased while sales to government institutions decreased
- Operating costs increased due to higher energy costs and storage charges.
- Overall Food Distribution PBT down by $0.5m (or 19.1%) to $2.2m

Food Preparation, Mfg & Processing

for the three months ended 31 March 2006

- 1Q2006 turnover grew 2.2% to $110.3m (1Q2005: $107.9m) while 1Q2006 PBT fell 10.0% to $7.9m (1Q2005: $8.8m)

Singapore

- Catering sales down 5.2% due to lower field ration supplies and lower meal consumption at SAF camps
- Anticipated increase in revenues from higher number of National Service enlistees expected only from 2Q2006
- PBT down due to lower sales

Food Preparation, Mfg & Processing

for the three months ended 31 March 2006

Overseas

- Singapore Dollar vs Sterling Pound up by 7.7% compared to 1Q2005 resulting in lower than anticipated translated earnings
- UK/Europe revenues grew 5.6% to $83.0m while PBT rose 68.4% to $5.8m
  - Daniels' turnover increased 13% in Sterling Pound terms. New Covent Garden soup sales grew more than 10%. Prepared fruit sales grew more than 75%
  - PBT for Daniels increased 23.3% in Sterling Pound terms due to strong sales growth and product mix
  - ICL sales grew 7.4% in Sterling Pound terms, and reported 114% increase in profits
  - Cresset had sales of $6.1m in 1Q2006, an increase of 71% due to significant increase in chilled ready meals sales, and registered loss of $0.7m, significantly lower than loss of $1.8m in 1Q2005

Food Preparation, Mfg & Processing

for the three months ended 31 March 2006

- Combined turnover from Australian subsidiaries decreased by $1.9m to $5.4m due to lower catches and lower exports
- Australian operations reported profit of $0.9m (vs $1.0m profit in 1Q2005), including gain of $0.4m on disposal of a fishing licence.
- Shanghai STFI sales grew $1.0m or 60.9% due to higher sales of frozen ready meals to food service
- SSTFI reported a small profit of $17K
- Exceptional loss of $0.6m due to voluntary winding up of dormant Malaysian subsidiary. No cash-flow impact.

Abattoir & Hog Auction

for the three months ended 31 March 2006

- Revenues lower at $4.3m (1Q2005: $5.1m) due to significantly reduced number of pigs from Bulan farm
- Slaughter and auction numbers were 861 and 831 pigs per day respectively (1Q2005: 1,069 and 977 respectively)
- PBT lower at $0.7m (1Q2005: $1.7m) due to the lower pig numbers and higher energy costs

Outlook

Singapore Operations

- Food Distribution
  - Sales to food service, ship supplies, and export sector expected to grow but sales to government institutions and major supermarkets will remain weak
  - Operating performance expected to be comparable to FY2005

- Food Catering & Manufacturing
  - Food Catering had weak performance in 1Q2006. Expects improved performance in 2H2006
  - Signed US$2.1m contract with ME country to supply emergency foods over 2-year period starting in 2Q2006. First shipments made in Apr 2006

- Abattoir & Hog Auction
  - Overall, expected to be significantly weaker in FY2006 as weak pig supply to continue for rest of the year

Outlook

Overseas Operations

- Daniels
  - Expected to deliver growth in all its core product categories
  - Growth of New Covent Garden soup to continue. Additional soup listings agreed with key customer in 2006 winter season
  - Additional soup production capacity needed to meet expected increase in demand. Capex expected in 2H2006. Leveraging on synergies in UK/Europe operations with single management team

  - Supply of own-label drinks for 2 major retailers started end of 1Q2006
  - Prepared fruit business expected to continue to grow strongly

Outlook

- ICL
  - ICL had good start in 1Q2006 but own-label market is extremely competitive
  - Initiatives are being taken to deliver a better set of results for FY2006
- Cresset
  - Acquisition of second key CRM customer in 4Q2005 improved performance significantly
  - Expected acquisition of third key customer in mid-2006 key to turnaround
  - Expected to deliver better performance than FY2005

Outlook

- Australia
  - FY2006 performance expected to be weaker than FY2005 as one-off gains in FY2005 will not recur
- Shanghai STFI
  - Strategy to reduce heavy reliance on chicken-based products and develop new market channels such as food service chains
  - Off-take of frozen ready meals targetted at food service outlets continues to be good
  - Working to convert more key food service accounts to strengthen this business

FY2006 Outlook

The outlook for FY2006 is challenging, but remains positive at the operating level

Note: This is management's outlook based on current expectations, projections and assumptions about the future. This is not a forecast.

Thank You

This presentation contains certain statements that are not statements 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 disease, 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.