



Embargoed till 5.10 pm, July 21, 2004

Strong Six-fold Increase in Overseas Profitability Power 27% Growth in Second Quarter Earnings of Singapore Food Industries

	2Q2004	2Q2003	%	1H2004	1H2003	%
Turnover (\$'m)	137.7	124.9	10.3	279.4	251.6	11.1
Profit Before Tax (PBT) (\$'m)	8.2	6.5	24.9	20.3	17.5	15.9
EBITDA (\$'m)	13.1	11.3	15.7	30.0	27.0	11.3
Profit After Tax and Minority Interest (PATMI) (\$'m)	6.2	4.9	26.7	14.8	12.7	16.1
Earnings Per Share (cents)	1.2	1.0	26.2	2.9	2.5	15.7

	2Q2004	2Q2003	%	1H2004	1H2003	%
Overseas Turnover (\$'m)	78.2	66.1	18.4	157.8	137.1	15.1
Overseas PBT (\$'m)	1.8	0.2	641.4	5.9	4.0	48.7

* all currencies in SGD

Key Highlights

- Strong performance in the second quarter (2Q2004) saw turnover increase 10.3% to \$137.7m and 24.9% growth in PBT to \$8.2m. This was led by overseas PBT which grew 641.4% to \$1.8m.
- In 2Q2004 PATMI increased 26.7% to \$6.2m while EBITDA grew 15.7% to \$13.1m.
- Overall, turnover for the first half of 2004 (1H2004) grew 11.1% to \$279.4m while gross margins improved to 27.3% from 25.0%.
- PBT increased 15.9% to \$20.3m, giving a 16.1% increase in PATMI to \$14.8m.
- Both UK/Europe and Singapore operations delivered growth in profits of 46.7% and 6.2% respectively.
- In 1H2004, UK/Europe turnover grew 16.1% to \$137.2m, contributing 49% of Group turnover and \$6.1m or 30% of Group PBT.

“Our UK companies continue to perform strongly, helping overseas operations to deliver profit growth of more than 6 times in 2Q2004. In addition, we have made significant investments that will further underpin our UK/Europe growth in the coming years”, said Mr Peter Tay, President & CEO.

Press Release

- In the UK, Daniels continued its strong performance since it was acquired by SFI in December 2002. Turnover increased 18.0% to \$80.8m (1H2003: \$68.5m) while profits attributable to Daniels increased to \$4.5m (1H2003: \$2.0m). Excluding the \$1.7m gain from the sale of a manufacturing site, the attributable profit was \$2.8m, a 42.2% increase over 1H2003.
- This increase in earnings is particularly significant as it was achieved on top of the \$3.2m expended in new product development, marketing and promotions for the New Covent Garden brand stretch into fresh sauces and fresh drinks during the half year. (New Covent Garden is the brand leader in fresh soup in the UK with market share of 47%).
- Initial sales from these two brand stretches have been encouraging and it is expected that fresh sauces and fresh drinks will expand Daniels' base for sales and profits in the coming years. Significant capex has also been committed for state-of-the-art production facilities for prepared fruits and fresh juice which will be completed in the next 6 months.
- SFI's recent acquisition in Ireland, Cresset, contributed \$5.0m (€2.4m) of sales in 2Q2004 and the half year. A new chilled convenience food facility costing more than €5.0m is being constructed and will be ready by 4Q2004.
- Singapore operations continued to do well with a 6.2% growth in both turnover and PBT for 1H2004, despite the adverse impact of the Avian Flu during the half year.

Mr Tay added: "We are pleased to have delivered a strong set of results in the first half year. Looking ahead, we continue to be optimistic about the prospects for the rest of the year. Barring any unforeseen adverse circumstances, the outlook for FY2004 is for growth in earnings over FY2003".

This news release should be read and interpreted in conjunction with all related filings made by Singapore Food Industries today on Masnet as well as the Disclaimer contained in those materials.

About Singapore Food Industries

Singapore Food Industries is the only fully integrated food logistics and catering supplier in Singapore. It has significant operations in the United Kingdom, China and Australia, which together contributes over 55% to Group turnover. Headquartered in Singapore, SFI's three core businesses are Food Distribution, Food Preparation, Manufacturing and Processing, and Abattoir and Hog Auction. In FY2003, SFI achieved profit after tax of \$30.8m on turnover of \$534.4m. For more information, please visit www.sfi.com.sg.

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#### **End of Release**

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