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Three-Fold Increase in UK Profits Ups SFI's Profits by 12.6% for 9M2004

	9M2004	9M2003	%
Turnover (\$'m)	420.4	375.3	12.0
Profit Before Tax (PBT) (\$'m)	29.8	26.4	12.9
EBITDA (\$'m)	45.1	40.1	12.6
Profit After Tax and Minority Interest (PATMI) (\$'m)	21.9	19.4	12.6
Earnings Per Share (cents)	4.3	3.9	12.2
UK/Europe Turnover (\$'m)	204.6	169.6	20.6
UK/Europe PBT (\$'m)	7.0	2.3	199.1

* all currencies in SGD

Key Highlights

- Strong performance in 9M2004 saw turnover increase 12.0 per cent to \$420.4 million. Gross margins improved from 24.5 per cent to 26.8 per cent resulting in Group PBT growing 12.9 per cent to \$29.8 million. Net earnings for 9M2004 grew 12.6 per cent to \$21.9 million.
- SFI's UK/Europe operations delivered a sterling three-fold growth in pre-tax profits to \$7.0 million for 9M2004. These operations now contribute 48.7 per cent of Group turnover and 23.4 per cent of Group PBT.
- In the UK, Daniels continued on its growth path, reversing a \$0.7 million loss last year to record a profit of \$4.7 million for the nine months. This was achieved on the back of a 20.6 per cent increase in sales for 9M2004 from New Covent Garden soup, prepared fruits and fresh juices.

“We are pleased with our three-fold increase in profits of our UK/Europe operations for the nine months. This has strengthened our confidence in our investment in 3 new factories in the European market costing \$50 million. We continue to be very positive about our prospects in the high-growth chilled convenience food segment”, said Mr Peter Tay, President & CEO.

- SFI has made substantial capital investments of \$40 million (£13 million) in Daniels for state-of-the-art production facilities in a new prepared fruits factory, a new fresh juice and drinks facility and in expanding its soup and sauce production capacity. These investments will help to underpin Daniels' growth in the next 2-3 years, by increasing annual sales capacity by at least \$90 million (£30 million).
- SFI's recent acquisition in Ireland, Cresset contributed \$10.1 million of sales for 9M2004. A new chilled ready meals factory costing more than \$10 million (€5.0 million) has been completed (within a short period of 7 months after acquisition in mid March 2004). It has launched a range of chilled ready meals with a major Irish customer in 4Q2004.

Mr Tay added: "We continue to be optimistic about the prospects for the rest of the year and are pleased to declare a maiden interim dividend of 2.0 cents per share. Based on current prospects, the outlook for FY2004 is for growth in earnings over FY2003".

Interim Dividends

- The Board has declared a maiden interim dividend of 2.0 cents per share (less tax) for FY2004, amounting to about \$8.2 million to be paid on 18 January 2005. Books will close on 6 to 7 January 2005 (both dates inclusive).
- SFI's dividend policy to pay out 60-70 per cent of its net earnings as dividends will be maintained for the year, despite the substantial investments made in an acquisition and expansion in production capacities during the year. The quantum of the final dividend payment will be considered when it announces its FY2004 results. (The Company paid only one dividend in respect of FY2003, a final dividend of 5.0 cents (gross) per share).

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, Ireland, China and Australia, which together contributes over 56 per cent 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 \$30.8 million on turnover of \$534.4million. For more information, please visit www.sfi.com.sg.

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## **End of Release**

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