Singapore Food Industries

Embargoed till 5.10 p.m. January 28, 2004

Overseas Operations Power 36.6% Increase in 4Q2003 Net Earnings

Earnings Growth Forecast in FY2004

	Financial Highlights					
	4Q2003	4Q2002	+/(-)%	FY2003	FY2002	+/(-)%
Turnover ($'m)	159.1	113.8	39.8	534.4	392.3	36.2
Profit Before Tax (PBT) ($'m)	15.5	12.1	28.1	41.9	40.5	3.4
Overseas Turnover ($'m)	97.9	55.8	75.6	297.6	147.4	101.9
Overseas PBT ($'m)	8.8	3.5	150.8	11.3	5.9	91.0
EBITDA ($'m)	21.0	15.8	33.1	61.1	51.9	17.7
Profit After Tax and Minority Interest (PATMI) ($'m)	11.4	8.3	36.6	30.8	29.9	3.0
Earnings Per Share (cents)	2.3	1.7		6.1	6.0	

** all currencies are in Singapore Dollars*

- Singapore Food Industries is pleased to announce that 4th quarter profit after tax and minority interests (PATMI) grew 36.6 per cent on the back of a 39.8 per cent growth in sales for the quarter. This growth was led by sterling performance from its UK operations. For the full-year FY2003, sales grew 36.2 per cent while PATMI grew 3.0 per cent.

"We are pleased to have achieved another year of growth in sales and net earnings despite very difficult trading conditions during the year. In particular, our UK operations rebounded in the 4th quarter and delivered very strong results." said Mr Peter Tay, President & CEO.

Growth Momentum led by Overseas Operations

- Sales from overseas operations grew 101.9 per cent over FY2002, accounting for 55.7 per cent of group sales, up from 37.6 per cent in FY2002. Profit before tax (PBT) from overseas operations grew 91.0 per cent contributing 26.9 per cent of Group PBT, up from 14.6 per cent in FY2002.

- In the UK, S Daniels plc (Daniels), which became a wholly owned subsidiary in December 2002, reported full year sales of $150.7 million and contributed PBT of $5.8 million (after accounting for goodwill of $1.6 million). This reflected a successful year of turn-around in the business despite facing one of the hottest summers recorded in England. SFI's other UK subsidiary, International Cuisine Limited (ICL), reported slightly lower sales of $100.7 million but a higher PBT of $5.1 million for the year.

Strong Dividend Yield

- A gross dividend totaling 5.0 cents per share (FY2002: 5.0 cents per share) consisting of an ordinary dividend of 3.0 cents per share and a special dividend of 2.0 cents per share will be proposed for shareholders' approval at the Company's Annual General Meeting planned for 6 April 2004. The proposed dividends translate to a gross dividend yield of 6.9 per cent based on an average December 2003 share price of 72 cents. The total recommended dividend payout will amount to $19.6 million and represents 63.6 per cent of PATMI for FY2003.

Outlook for 2004

- In Singapore, Food Distribution, which had been encouragingly resilient during a difficult FY2003, has re-focused its strategy to concentrate on ship supplies and regional business expansion, thereby improving FY2004 prospects.

- The Food Catering business renewed its 5-year catering contract with a key customer in April 2003. The successful implementation of a more efficient regional cookhouse arrangement and the reduction in employer's CPF contribution should help mitigate the impact of the lower prices in the new contract. Food Catering expects to perform better in FY2004.

- The Abattoir and Hog Auction business saw an increase in pig numbers in 4th quarter 2003 after 3 successive quarters of declining pig numbers. This increase is expected to continue, and together with the auction fee increase in May 2003 and the re-structuring of meat-cutting operations, prospects for FY2004 are for growth in earnings over FY2003.

- The Group's overseas prospects continue to look good, driven by its UK operations. Daniels' market leading New Covent Garden fresh soup is expected to continue to perform well, and a brand stretch into fresh "pour-over" and "cook-in" sauces is planned to be launched in the 1st half of 2004. Together with planned production capacity increase for drinks and prepared fruits, 2004 is shaping up to be an exciting year.

- ICL has also positioned itself to return to its double-digit growth rates in FY2004, having won new products from a major account, and strengthened relationships with existing key customers.

- Elsewhere, the Group expects its Australia and China operations to be profitable and to grow, but are not expected to be major contributors. The Group is actively looking for new investments, joint ventures, and strategic alliances to fuel growth in these and other regional markets.

Summing up, Mr Peter Tay said, "FY2003 has been a very challenging year, particularly in the 2nd and 3rd quarters. The significant improvement in the 4th quarter has been most encouraging. Even more satisfying is that we have positioned ourselves and invested in the market segments that give higher growth opportunities. Now that we have further strengthened our Singapore operations, we feel positive about our prospects for FY2004. Based on current trends, our 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 was listed on the Singapore Exchange in November 1999. It is the only fully integrated food logistics and catering supplier in Singapore. Its three core businesses are Food Distribution, Food Preparation, Manufacturing and Processing, and Abattoir and Hog Auction. It has significant operations in the United Kingdom, China and Australia. In FY2002, SFI achieved its fifth consecutive year of double-digit growth in profit after tax of $29.9m on turnover of $392.3m. For more information, please visit www.sfi.com.sg.

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