

Embargoed till 5.10 pm, January 26, 2005

Singapore Food Industries achieves double-digit earnings growth of 13.7% for the full year, powered by 4Q earnings growth of 15.8%.

Recommends final dividends of 4.0 cents (gross) per share making total dividend for the year 6.0 cents (gross) per share

| | Financial Highlights | | | | | |
|--|----------------------|--------|------|--------|--------|------|
| | 4Q2004 | 4Q2003 | % Δ | FY2004 | FY2003 | % Δ |
| Turnover (\$'m) | 176.1 | 159.1 | 10.7 | 596.5 | 534.4 | 11.6 |
| Profit Before Tax (PBT) (\$'m) | 17.1 | 15.5 | 10.6 | 46.9 | 41.9 | 12.1 |
| EBITDA (\$'m) | 24.7 | 21.0 | 17.5 | 69.8 | 61.1 | 14.3 |
| Profit After Tax and Minority Interests (PATMI) (\$'m) | 13.2 | 11.4 | 15.8 | 35.0 | 30.8 | 13.7 |
| Earnings Per Share (cents) | 2.6 | 2.3 | 15.1 | 7.0 | 6.1 | 13.3 |

* all currencies in SGD

Singapore Food Industries announces today, a double-digit growth of 13.7 per cent in Profit after Tax and Minority Interests (PATMI) to \$35.0 million for FY2004 (FY2003: \$30.8 million). This was achieved on the back of an 11.6 per cent growth in sales to \$596.5 million. Earnings per share increased to 7.0 cents from 6.1 cents. Operating cash flow grew 41.9 per cent from \$40.2 million to \$57.1 million.

“We are pleased to have resumed our double-digit growth in sales and net earnings in FY2004 despite the Avian Flu outbreak in this region during the year. Our UK operations have continued to deliver very strong results with double-digit growth in both sales and profits in FY2004.” said Mr Peter Tay, President & CEO.

Growth from both Overseas and Singapore Operations

SFI's overseas turnover increased 17.5 per cent (to \$349.6 million) over FY2003 and accounted for 58.6 per cent of Group sales. Profit before tax (PBT) from overseas operations grew 29.4 per cent to \$14.6 million, accounting for 31.1 per cent of Group PBT.

UK/Europe operations delivered a sterling 33.1 per cent growth in pre-tax profits to \$14.4 million for FY2004. Daniels reported full-year sales growth of 18.6 per cent to \$178.7 million and contributed PBT of \$10.8 million, a growth of 85.7 per cent over FY2003.

SFI's other UK subsidiary, International Cuisine Limited (ICL), reported a 10.0 per cent increase in sales to \$111.8 million with higher PBT of \$5.7 million for the year, up from \$5.1 million in FY2003. SFI's newly-acquired Irish subsidiary, Cresset, contributed \$17.7 million in sales but reported a loss due to start-up costs of its new \$10 million (€5.0 million) chilled ready meals factory which became operational in 4Q2004. It has launched a range of chilled ready meals with a major Irish customer.

Turnover in Singapore increased 4.3 per cent to \$246.9 million and accounted for 41.4 per cent of Group sales. Profit before tax grew 5.7 per cent to \$32.3 million.

Final Dividends of 4.0 cents (gross) Per Share Proposed

A final gross dividend of 4.0 cents per share will be proposed for shareholders' approval at the coming Annual General Meeting on 14 April 2005 and is expected to be paid on 27 May 2005. Including the 2.0 cent interim gross dividend paid on 18 January 2005, the total gross dividend in respect of FY2004 comes to 6.0 cents per share. (FY2003: 5.0 cents per share).

The proposed dividends translate to a gross dividend yield of 7.4 per cent based on SFI's average share price of 81.6 cents in FY2004. The total dividend payout will amount to \$24.3 million and represents 69.3 per cent of PATMI for the year.

Mr Tay added "As a result of our strong performance for the year, we are proposing to reward our shareholders with a higher dividend of 6.0 cents per share for the year. With a target dividend payout ratio of 60 to 70 per cent of annual distributable profits, shareholders can look forward to higher dividend payments in line with earnings growth."

Outlook for 2005

The Group's overseas prospects continue to look promising, driven by the UK operations. Daniels is expected to continue to deliver growth in all its core product categories, especially in its market leading New Covent Garden fresh soup. During the year, Daniels made substantial capital investments of \$40 million (£13 million) in state-of-the-art production facilities. These included a new prepared-fruits factory, a new fresh juice factory and expansion in soup and sauce production capacity. These investments will increase annual sales capacity by at least \$90 million (£30 million) and will underpin Daniels' growth in the next 2-3 years.

ICL is also expected to perform better in FY2005, with a dozen new product launches planned in first quarter 2005 while the new Irish subsidiary expects to contribute to Group profits in FY2005.

Performance of Australia and China operations are expected to be comparable to FY2004. The Group continues to actively look for new investments, joint ventures and strategic alliances to fuel growth in these and other regional markets.

In Singapore, Food Distribution will continue to focus on higher growth market channels such as ship supplies, food service and small supermarkets. The improved performance achieved in FY2004 is expected to continue into FY2005. The Food Catering and Abattoir and Hog Auction businesses are expected to deliver comparable performance in FY2005.

Summing up, Mr Tay said, "The growth achieved in FY2004, especially in the fourth quarter, should provide a healthy start to FY2005. In addition, the significant investments made in the UK and Ireland during the year will underpin our growth objectives in 2005 and beyond. Based on current prospects, our outlook for FY2005 is for growth in earnings over FY2004."

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

Press Release

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, Rep of Ireland, China and Australia, which together contributes 58.6 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 FY2004, SFI achieved profit after tax of \$35.0 million on turnover of \$596.5million. For more information, please visit www.sfi.com.sg.

~~~~

## **End of Release**

For enquiries, please contact: Ms Wang Yu-Hsuan  
Senior Manager  
Marketing and Communications  
Tel : (65) 68700269/288, 96930476  
Fax : (65) 67762088  
Email : [wang.yh@sfi.com.sg](mailto:wang.yh@sfi.com.sg)