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Overseas Operations Continue Strong Growth in Second Quarter

	2Q2006	2Q2005	%	1H2006	1H2005	%
Turnover (\$'m)	147.2	139.0	5.9	297.2	283.8	4.7
Profit Before Tax (PBT) (\$'m)	9.7	9.6	0.6	20.4	22.8	(10.3)
Profit After Tax and Minority Interest (PATMI) (\$'m)	7.0	6.5	7.0	14.1	15.7	(10.5)
Earnings Per Share (cents)	1.4	1.3	5.8	2.8	3.1	(11.4)

	2Q2006	2Q2005	%	1H2006	1H2005	%
Overseas Turnover (\$'m)	87.5	77.8	12.5	178.5	165.3	8.0
Overseas PBT (\$'m)	2.7	0.7	294.9	8.7	5.0	73.9

* All currencies in SGD

Key Highlights

- Turnover for the second quarter of 2006 grew 5.9% to \$147.2m. After-tax profit grew 7% to \$7.0m
- Overall, sales in Singapore were down 2.6% as a result of the 30.6% lower revenues from the Abattoir and Hog Auction operations. As a result, profit before tax from Singapore operations was down 21.6% from \$8.9m to \$7.0m for 2Q2006.
- Turnover from overseas operations, however, continued to grow strongly at 12.5% to \$87.5m for the second quarter. Overseas PBT more than tripled from \$0.7m to \$2.7m. Overall, for the first half of 2006, overseas operations accounted for 60.1% of SFI group turnover and 42.7% of group PBT

“Growth from our UK/Europe operations continued to be strong. However, the 6.4% strengthening of the Singapore Dollar against the Sterling Pound had an adverse impact on the growth of the UK earnings when translated into Singapore Dollars. The reduction in pig supply numbers deteriorated further during the second quarter. This affected the Abattoir and Hog Auction business and dragged down the overall SFI performance,” said Mr Peter Tay, President & CEO.

- In the UK, in Singapore Dollar terms, Daniels’ sales for the second quarter grew 18.8% to \$49.1m. New Covent Garden soup sales grew 8.6% while prepared fruit sales grew 79.1%, and drinks sales grew 20.7%. PBT was \$2.2m, compared to a loss of \$0.2m for 2Q2005.
- Sales at International Cuisine Limited grew 11.7% to \$24.8m, while PBT grew 79.7% to \$1.5m for the second quarter on the back of improved sales of chilled ready meals and operating efficiencies.
- Irish subsidiary, Cresset, reported sales increase of 34.3% for the second quarter, and reduced its loss to \$1.1m in 2Q2006 (2Q2005: \$1.6m loss).

Mr Tay added: “Singapore operations continue to face a number of challenges. However, we expect the UK operations to continue with its strong growth trends.”

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.

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 contribute 60.0 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 FY2005, SFI achieved profit after tax of \$36.1 million on turnover of \$597.1million. For more information, please visit www.sfi.com.sg.

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**End of Release**

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