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Strong Performance from UK Operations but significantly weaker performance from Singapore Operations results in drop in earnings for 1Q2006 vs 1Q2005

Financial Highlights*			
	1Q2006	1Q2005	% Δ
Turnover (\$'m)	150.0	144.8	3.6
EBITDA (\$'m)	15.3	19.3	(20.5)
Profit Before Tax (PBT) (\$'m)	10.8	13.2	(18.3)
Profit After Tax and Minority Interest (PATMI) (\$'m)	7.1	9.2	(22.9)
Earnings Per Share (cents)	1.4	1.8	(23.6)

* all currencies are in Singapore Dollars

Key Highlights

- Turnover for the first quarter of 2006 grew 3.6% to \$150.0m. However, net profit was lower.
- In Singapore, Food Distribution sales were higher by 11.5% while Food Catering sales were down 5.2%. Abattoir and Hog Auction revenues were down 16.5%. Overall profit before tax from Singapore operations was down 46.8% from \$8.9m to \$4.7m.
- Turnover from overseas operations grew 4.0% to \$90.9m and accounted for 60.6% of Group turnover. Overseas PBT grew 39.8% from \$4.4m to \$6.1m, representing 56.4% of Group PBT.

“While the underlying business performance in the UK was strong, the 7.7% strengthening of the Singapore Dollar compared to the Sterling Pound a year ago has impacted on the UK earnings when translated into Singapore Dollars. Additionally, the more severe reduction in pig supply numbers has affected the SFI performance,” said Mr Peter Tay, President & CEO.

- In the UK, Daniels’ sales for the quarter grew 13% and profitability increased 23.3% in Sterling Pound terms. New Covent Garden soup sales grew more than 10% while prepared fruit sales grew over 75%. At International Cuisine Limited, sales grew 7.4%, while profitability grew 114% in Sterling Pound terms.
- Irish subsidiary, Cresset, reported sales increase of 71% for the first quarter, thereby reducing its loss from \$1.8 million in 1Q2005 to \$0.7 million for the quarter.

Press Release

Mr Tay added, “We expect 2006 to be a challenging year. However, initiatives are being taken to meet these challenges.”

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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