

Embargoed till 5.10 pm, February 8<sup>th</sup>, 2006

**Singapore Food Industries achieves 1.3 per cent growth in earnings to \$36.1 million for the full year, led by 4Q earnings growth of 12.2 per cent.**

***Recommends final dividend of 4.0 cents (gross) per share, making total dividend of 6.2 cents (gross) per share for the year***

	Financial Highlights					
	4Q2005	4Q2004	% Δ	FY2005	FY2004	% Δ
Turnover (\$'m)	179.9	175.9	2.3	597.1	590.1	1.2
EBITDA (\$'m)	26.3	24.7	6.0	73.2	70.5	3.8
Profit Before Tax (PBT) (\$'m)	20.0	17.4	15.6	50.4	47.7	5.6
Profit After Tax and Minority Interests (PATMI) (\$'m)	14.9	13.3	12.2	36.1	35.6	1.3
Earnings Per Share (cents)	2.9	2.6	10.9	7.1	7.1	0.2

\* all currencies in SGD

Singapore Food Industries announces today Profit after Tax and Minority Interests (PATMI) of \$36.1 million for FY2005 (FY2004: \$35.6 million). This was achieved on the back of a 12.2 per cent growth in net earnings in 4Q2005.

***“We are pleased to have another year of growth in net earnings. It has been a difficult year as we had to absorb a very substantial start-up loss in Cresset during the year. The 4Q2005 finish which saw a net earnings growth of 12.2 per cent gives us confidence that we are off to a good start in 2006,” said Mr Peter Tay, President & CEO.***

Profit Growth in 4Q2005

Profit before tax (PBT) in 4Q2005 grew 15.6 per cent to \$20 million. The increase in PBT came from UK/Europe and Singapore operations.

PBT for UK/Europe operations grew 35.1 per cent to \$10.1 million, accounting for half of Group PBT in 4Q2005. Daniels reported a PBT growth of 74.5 per cent in 4Q2005 to \$10.6 million due to higher sales and better utilization of production capacities across its core businesses of fresh soups, fresh juice and drinks, and prepared fruits. SFI's other UK subsidiary, International Cuisine Limited (ICL), reported a lower PBT of \$0.7 million for 4Q2005 as a result of lower sales. Its Irish subsidiary, Cresset, reported a lower loss of \$1.2 million for the quarter with a second major customer coming on board in September 2005.

PBT in Singapore increased 7.9 per cent to \$10.1 million in 4Q2005, and accounted for half of Group PBT for the quarter. Both the Food Distribution and Food Catering businesses in Singapore reported higher profits.

## Final Dividend 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 19 April 2006 and if approved, will be paid on 8 June 2006. Including the interim gross dividend of 2.2 cents paid on 25 January 2006, the total gross dividend in respect of FY2005 comes to 6.2 cents per share. (FY2004: 6.0 cents per share). The total dividend payout will amount to \$25.3 million and represents 70 per cent of PATMI for the year.

***Mr Tay added "We are proposing to reward our shareholders with a higher dividend of 6.2 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 FY2006

With the momentum of the 4Q2005 performance, the Group's prospects in FY2006 are off to a good start. UK operations is expected to remain strong with Daniels expected to continue to deliver growth in all its core product categories, especially in its market leading New Covent Garden fresh soup. The substantial capital investments of \$40 million in state-of-the-art production facilities committed in FY2004 will continue to support growth as new business is secured. In particular, two new supply contracts for own label juice and drinks and another for prepared fruits will commence in 1Q2006.

ICL is also expected to perform better in FY2006, with supply arrangements with key customers stabilized for the first half of FY2006. Cresset's performance has improved with a second key customer secured in 4Q2005. Significant improvement in performance can be expected with the acquisition of a third key customer targeted for the first half of 2006.

In Singapore, Food Distribution will continue to focus on higher growth market channels such as ship supplies, food service and exports to regional markets. Food Catering expects to perform better in FY2006, while the Abattoir and Hog Auction business may deliver a weaker performance in FY2006.

***Summing up, Mr Tay said, "The growth achieved in the fourth quarter of FY2005 has provided a healthy start to FY2006. In addition, the significant investments made in the UK and Ireland in the last couple of years will continue to underpin our growth objectives this year and beyond. The improvement in Cresset's performance should help Group results. Based on current prospects, the outlook for FY2006 is for earnings to be higher than that for FY2005."***

*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 also has significant operations in the United Kingdom, Rep of Ireland, China and Australia, which together contributes 59.8 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](http://www.sfi.com.sg).*

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## **End of Release**

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