

Embargoed till 5.10 pm, February 9th, 2007

Singapore Food Industries' revenue grew by 6.7 per cent to \$636.9 million for the full year, driven by strong overseas performance.
Recommends final tax-exempt net dividend of 3.2 cents per share.

	Financial Highlights					
	4Q2006	4Q2005	% Δ	FY2006	FY2005	% Δ
Turnover (\$'m)	196.8	179.9	9.4	636.9	597.1	6.7
EBITDA (\$'m)	23.6	26.3	(10.3)	65.3	73.2	(10.8)
Profit Before Tax (PBT) (\$'m)	16.7	20.0	(16.4)	43.4	50.4	(13.8)
Profit After Tax and Minority Interests (PATMI) (\$'m)	11.8	14.9	(21.1)	30.2	36.1	(16.3)
Earnings Per Share (cents)	2.3	2.9	(21.8)	5.9	7.1	(17.1)

* all currencies in SGD

Group turnover was \$636.9 million for FY 2006 and Profit after Tax and Minority Interests (PATMI) was \$30.2 million.

Highlights from Overseas Operations

- Overseas growth in 2006 was driven primarily by growth in SFI's UK/Europe businesses.
- In the UK, full year sales in Daniels' core businesses of fresh soup, chilled juices, and prepared fruits increased 17.2 per cent to \$231.8 million, while PBT was up 26.9 per cent to \$17.9 million due to higher sales and improved operating efficiencies.
- ICL's sales of chilled ready meals recovered from the Sudan 1 food scare in 2005, and grew 13.0 per cent to \$109.7 million, while PBT doubled to \$6.0 million.
- Farmhouse Fare, a producer of high quality traditional British desserts that was acquired at the end of October 2006, added \$5.0 million to group turnover and contributed PBT of \$1.3 million.
- Cresset, in Ireland, achieved a 28.6 per cent increase in sales to \$23.4 million, and reduced losses by 12.9 per cent to a loss of \$5.4m.
- In China, Shanghai ST Food Industries' sales expanded 30.8 per cent to \$9.7 million as a result of higher sales of frozen ready meals to the food service sector.

“Our overseas operations had another strong year. Revenue grew by 14.8 per cent to \$411.3 million, while profit before tax (PBT) grew by 54.5 per cent to \$20.5 million. Overseas operations now account for 64.6 per cent of group turnover and 47.3 per cent of group PBT, up from 60.0 per cent and 26.4 per cent respectively in 2005,” said Roger Yeo, CEO of SFI.

Singapore Operations

- Food Distribution sales decreased by 6.9 per cent to \$127.1 million while PBT was 33.1 per cent lower to \$8.2 million.
- Food Catering sales were marginally higher, benefiting from initial exports of retorted ready meals to the Middle-east.
- Revenue in the Abattoir and Hog Auction operations fell by 19.6 per cent to \$16.9 million due to a decrease in pig supply during the year, and PBT was down 55.4 per cent to \$3.0 million.

Press Release

“Singapore operations reported a drop in revenue of 5.5 per cent to \$225.6 million, while profit before tax decreased by 38.3 per cent to \$22.9 million. The reasons for these declines included the loss of a major agency line for poultry products and a significant reduction in pig supply to the Abattoir and Hog Auction business. Comparatively, FY2005 results included a one-time write-back of \$6.5 million in provisions and accounting adjustments that were not repeated in FY2006,” added Mr. Yeo.

Final Tax-exempt Net Dividend of 3.2 cents Per Share Proposed

A final tax-exempt net dividend of 3.2 cents per share will be proposed for shareholders' approval at the coming Annual General Meeting on 16 April 2007 and if approved, will be paid on 8 June 2007. Including the interim gross dividend of 2.2 cents paid on 25 January 2007, the total net dividend in respect of FY2006 comes to 4.96 cents per share. (FY2005: 4.96 cents net per share). The total dividend payout will amount to \$25.5 million and represents 84.4 per cent of PATMI for 2006.

Summing up, Mr. Yeo said, “Going forward, we are optimistic about our performance. We will keep up the momentum on the growing parts of our portfolio of businesses, whilst returning our weaker operations to growth and improved profitability. Based on current prospects, the outlook for FY2007 is growth in earnings over FY2006.”

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 64.6 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 FY2006, SFI achieved PATMI of \$30.2 million on turnover of \$636.9 million. For more information, please visit www.sfi.com.sg.

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### **End of Release**

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