



Press Release – FY2004 Results

Select Catering Net Profit Rises 53.7% On 27.4% Growth in Revenue

- **Financial Highlights:**

S\$ (million)	FY2004	FY2003	Change
Revenue	43.04	33.79	+27.4 %
Gross Profit	26.54	20.95	+26.7 %
Operating Profit	2.04	1.55	+31.9 %
Profit Before Tax	1.90	1.27	+50.5 %
Net Profit	1.40	0.91	+53.7 %
EPS (cents)	1.85	1.21	+52.9 %

- 27.4% revenue growth to S\$43.04 million due to strong performance and expansion of core Institutional Catering and Food Retail divisions
- Maiden contributions from recent penetration of Suzhou's MNC market in 3QFY04 ~ initial contracts for 6,000 meals per day provided by Select's new central kitchen in Suzhou Industrial Park
- Proposes a final dividend of 1.38 cents (one-tier tax exempt) and a special dividend of 0.40 cent (less tax of 20%) per ordinary share
- FY05 Outlook: The Directors are confident of better performance with the contributions from the Suzhou operations, and Singapore Expo's F&B Hub, which will be fully operational by 2Q FY05

SINGAPORE – 22 February 2005 – Singapore Exchange SESDAQ-listed Select Catering Services Limited ("Select"), a leading homegrown integrated food catering and management services provider in Singapore, announced today that its net profit attributable to shareholders rose 53.7% to S\$1.40 million for the financial year ended 31 December 2004 ("FY04").

Select, which was listed on SGX on 15 December 2004, achieved the significant profit growth on the back of a 27.4% increase in turnover to S\$43.04 million in FY04 from S\$33.79 million in FY03. The strong performance was driven by the Group's core Institutional Catering and Food Retail divisions and their successful penetration into new markets, facilitated by Select's

strengthening corporate brand. Operating profit margins improved in FY04 to 4.74% from 4.57% helped by economies of scale.

Commenting on the results, Managing Director Vincent Tan said "In delivering our first set of results since our recent public listing, I am pleased to report that we have delivered a strong performance in FY04 with growth in all divisions. 2004 has presented a landmark year for Select with several strategic "firsts" – successfully concluded an IPO exercise, expanded our operations to China and launched our first restaurant Lerk Thai. In short, we have set in place the foundations to bring the Group to the next level of growth."

In view of the Company's performance, the Board has proposed a final dividend of 1.38 cents (one-tier tax exempt) and a special dividend of 0.40 cent (less tax rate of 20%) per ordinary share.

On a segmental basis, the Group's Institutional Catering, Food Retail and Food Catering divisions respectively accounted for 37%, 41% and 22% of the Group's total FY 04 revenue (FY03: 35%, 40% and 25%). Segment results attributed to Institutional Catering and Food Retail accounted for 50% and 45% respectively of the Group's operating results.

Institutional Catering saw significant revenue growth of S\$3.9 million or 32% to S\$15.8 million, attributed to existing contracts and new customers in Singapore, as well as maiden contributions from China's Suzhou, a major electronics manufacturing hub, which the Group only started to tap in 3Q FY04. Select has embarked on a two-pronged strategy to drive this core division. The Group is expanding into regional markets kicking off with China's Yangtze Basin where many multi-national corporations ("MNCs") are located and there are tremendous potential for on-site management of staff cafeterias. Concurrently Select is seeking out opportunities in new market segments, e.g., healthcare institutions, uniformed (home defense) services and tertiary institutions in the public sector.

Food Retail also saw strong revenue growth of S\$4.4 million or 33% to S\$17.8 million in FY04. Eight new food court outlets were opened in FY04, bringing the Group's total number of food court outlets to 38 in Singapore plus 2 in Malaysia, with two public cafeterias in Singapore. The Group also marked a significant milestone in FY04 with the launch of Lerk Thai, a mid-market restaurant specializing in Thai cuisine and located in Bugis Villiage. Lerk Thai opened to a warm reception and the Group proceeded to open a second restaurant located at the Singapore Expo on 15 January 2005, with a third due in second half of FY05.

Food Catering, which in June 2004 secured rights for private catering and the management and development of Singapore Expo's new Expo F&B Hub, grew S\$1.0 million or 12% to S\$9.4 million in FY04. When the Hub becomes fully-operational by 2Q FY05, revenue from Food Catering is expected to grow swiftly, while generating rental income.

Going forward, Mr Tan said, "A critical flex point for Select was achieved in September 2004 with the opening of our first central kitchen outside Singapore, which is also our largest to-date. Strategically located in Suzhou Industrial Park, this state-of-the-art production facility is capable of producing up to 35,000 meals a day and we are now well-positioned to tap the MNC market

in Suzhou, Wuxi and Shanghai. MNCs here place comparatively greater emphasis on staff welfare and are often willing to appoint better food catering and management service provider to ensure consistently high standards of food quality and hygiene.

“We have secured initial contracts providing 6,000 meals per day and are confident of building on this momentum coupled with Select’s proven track record in servicing Singapore’s MNC sector to rapidly increase this scale. With IPO net proceeds and enhanced corporate standing as an SGX-listed entity, Select is in an even stronger position to push forth in our mission to become a leading institutional caterer in Singapore and the region.”

Basic Earnings per Share rose to 1.85 Singapore cents from 1.21 cents in FY03 while Net Asset Value per share as at 31 December 2004 rose nearly three-fold to 9.35 Singapore cents from 3.16 Singapore cents a year ago. In addition, the Group’s cash and cash equivalents at the end of FY04 increased to S\$5.42 million, up 224% from S\$1.67 million a year earlier.

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Issued on behalf of Select Catering Services by WeR1 Consultants Pte Ltd

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About Select Catering Services Limited (www.select.com.sg)

Select Catering Services, listed on the SGX Sesdaq since 15 December 2004, is a leading integrated food catering and management services provider in Singapore, with operations in Malaysia and China.

Headquartered in Singapore, Select’s core businesses include:

Institutional Catering – providing food management services to corporate customers, including Agilent Technologies, Infineon Technologies Asia Pacific, Maxtor Peripherals, Motorola Electronics, STATS ChipPAC, and STMicroelectronics.

Food Retail – operates 38 food stalls (36 in Singapore and 2 in Malaysia) and 2 public cafeterias in Singapore. Select also operates two Thai-cuisine restaurants in Singapore.

Food Catering – providing events catering services for corporate, community or private functions, in additions to its daily meal delivery services to workplaces and family units.