

Petra Foods achieves net profit of US\$42.6 million for 9 months of 2012

- *Group's performance boosted by Branded Consumer's strong performance in key markets of Indonesia and the Philippines*

Financial Highlights (US\$'Million)	3Q ended 30 September			9 months ended 30 September		
	Jul-Sep 2012	Jul-Sep 2011	Change (%)	Jan-Sep 2012	Jan-Sep 2011	Change (%)
Revenue	359.9	431.1	↓16.5	1,140.4	1,296.5	↓12.0
Gross Profit	57.2	58.5	↓2.3	180.3	178.7	↑0.9
EBITDA	28.7	31.0	↓7.4	97.1	94.2	↑3.0
Profit before tax	14.6	18.2	↓19.9	57.0	55.3	↑3.0
Net profit attributable to shareholders	10.4	13.8	↓24.5	42.6	42.2	↑1.1

SINGAPORE - 8 November 2012 - Petra Foods Limited ("Petra Foods" or the "Group"), one of the world's major manufacturers and suppliers of cocoa ingredients and branded consumer confectionery products, today reported a net profit attributable to shareholders of US\$42.6 million for the 9 months ended 30 September 2012.

This was achieved on the back of Group revenue reaching US\$1.14 billion, boosted by the Branded Consumer Division's strong Own Brands sales in its key markets of Indonesia and the Philippines. The Group's Cocoa Ingredients Division continued to face significant margin pressure as a result of headwinds that are affecting the global cocoa ingredients industry, especially in the generic segment.

Said Mr John Chuang, Petra Foods' Chief Executive Officer: "The consumption environment in our regional markets, particularly Indonesia and the Philippines, is expected to remain vibrant, thanks to strong regional economies and fast-growing middle income populations. We will continue to tap these growth opportunities by extending the market reach of our Branded Consumer products through our brand-building efforts, new product offerings, as well as diversification into new product categories. We will also expand our regional distribution network to support our growth in these markets."

Based on the weighted average number of ordinary shares in issue, the Group achieved 9M 2012 earnings per share of 6.98 US cents and net asset value per share (as at 30 September 2012) of 52.0 US cents.

SEGMENTAL REVIEW

Branded Consumer Division

Financial Highlights (US\$ Million)	3Q ended 30 September			9 months ended 30 September		
	3Q 2012	3Q 2011	% Change Y-o-Y	9M 2012	9M 2011	% Change Y-o-Y
Indonesia	87.4	79.9	↑9.4	273.2	236.3	↑15.6
The Regional Markets	30.2	24.8	↑21.9	89.1	86.5	↑3.0
Total Branded Consumer Revenue	117.6	104.7	↑12.3	362.3	322.8	↑12.2
Gross Profit Margin (%)	35.2	31.8	↑3.4% pt	32.9	30.7	↑2.2% pt
EBITDA	22.0	15.2	↑44.9	61.7	44.3	↑39.2

Higher Own Brands sales in Indonesia and the Philippines drove Branded Consumer Division's 9M 2012 revenue up by 12.2% to US\$362.3 million, achieving yet another record performance.

Apart from achieving higher revenue in Own Brands, the Division also managed to boost gross profit margin by 2.2 percentage points to 32.9% reflecting the higher proportion of Premium products in the sales mix and the benefit of raw materials having been locked in at favourable costs.

Cocoa Ingredients Division

Financial Highlights (US\$ Million)	3Q ended 30 September			9 months ended 30 September		
	3Q 2012	3Q 2011	% Change Y-o-Y	9M2012	9M2011	% Change Y-o-Y
Revenue	242.3	326.5	▼25.8	778.1	973.7	▼20.1
EBITDA	6.7	15.8	▼57.8	35.4	49.9	▼29.1
EBITDA/mt (6 months moving average) in US\$	159	257	▼38.1	159	257	▼38.1
Sales volume (mt)	60,990	66,230	▼7.9	187,930	199,694	▼5.9

As previously noted in the 1Q and 2Q 2012 announcements, although the Cocoa Ingredients Division started the year on a positive note, the global cocoa ingredients industry is facing significant headwinds in the form of margin compression, especially in the generic segment, as a result of an excess capacity/supply situation at a time of weaker chocolate consumption globally.

Resulting from this, the Cocoa Ingredients Division's 3Q 2012 EBITDA of US\$6.7 million was lower Y-o-Y by 57.8% and the 9M 2012 EBITDA of US\$35.4 million was lower Y-o-Y by 38.1%.

To mitigate the negative impact of these headwinds, we have focused on: (1) driving demand for higher margined customized ingredients; (2) strategically reducing production throughput and sales to the price sensitive and lower margined segments and less strategic markets (eg. Eastern Europe); (3) improving cost efficiencies especially through direct bean sourcing; and (4) limiting capital expenditure to only the most critical and immediately income generating. Whilst the overall result is down on previous periods, we believe that without these timely initiatives, the results would have been lower.

BUSINESS PROSPECTS

The Group envisages that uncertainties in the global business environment will continue with the Eurozone debt situation and the fragile economies of Europe and the United States still looming. Chocolate consumption in developed markets will continue to be weak but this is mitigated by robust growth in the developing markets of Asia, fueled by strong regional economies and the accelerating middle income groups.

“Our business model of Cocoa Ingredients and Branded Consumer continues to be robust and provides the financial synergy while serving as a hedge against times of adverse market conditions such as this. We are well-prepared to face the challenges ahead,” said Mr Chuang.

#

ABOUT PETRA FOODS LIMITED

Listed on the SGX-ST since 5 November 2004, Petra Food Limited and its subsidiaries ("the Group") is one of the world's major manufacturers and suppliers for premium cocoa ingredients, namely cocoa powder, cocoa butter and cocoa liquor. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products, for which it is the market leader in Indonesia.

The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer**.

Cocoa Ingredients Division

The Group manufactures and sells cocoa ingredients, under the "Delfi" brand, to over 30 countries worldwide. Its major customers are international food and beverage companies such as Nestlé, Cadbury, the Mars Group, Arnott's, A.B. Foods, Barry Callebaut and the Meiji Group.

Branded Consumer Division

The Group manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China. Petra Foods has an established portfolio of chocolate confectionery brands which are household names in Indonesia include 10 master brands and 20 key sub brands and manufactures over 300 stock keeping units. Its flagship brands in Indonesia include "SilverQueen" and "Ceres" that were introduced in the 1950s and "Delfi" in the 1980s. In addition, the Group also distributes a well-known portfolio of 3rd Party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods has seven cocoa processing facilities (located in Indonesia, Malaysia, the Philippines, Thailand, Brazil, Mexico and Germany), one cocoa butter facility (located in France), two chocolate confectionery production facilities (located in Indonesia and the Philippines) and a total staff strength of close to 6,000.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003. In addition, it was recognised as the "Best Newly Listed Singapore Company in 2004" in AsiaMoney's Best Managed Companies Poll 2004. Petra Foods was named the "Enterprise of the Year 2004" by the 20th Singapore Business Awards on 30 March 2005 and was named one of "Singapore's 15 Most Valuable Brands" in November 2005 by IE Singapore.

Over the years, Petra Foods has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the "Best Annual Report/Newly Listed Company" category in 2006. In April 2009, it clinched a Gold award in the "Best Annual Report/ Companies with \$300 million to less than \$1 billion in market capitalisation" category. In May 2010, it bagged two Silver awards for "Best Managed Board" and "Best Investor Relations" under the "companies with \$300 million to less than \$1 billion in market capitalisation" category.

Most recently, the Group's Chief Executive Officer, Mr John Chuang, was recognised for his leadership and management of Petra Foods. He was named "Best Chief Executive Officer at the 2011 Singapore Corporate Awards and "Businessman of the Year" at the 2012 Singapore Business Awards.

Issued on behalf of Petra Foods Limited by August Consulting

Ho See Kim

Tel: +65 6733 8873, Mobile: +65 9631 3602, Email: seekim@august.com.sg

Simon Leow

Tel: +65 6733 8873, Mobile: +65 9731 9550, Email: simon@august.com.sg