

FOR IMMEDIATE RELEASE

Petra Foods' Branded Consumer business achieves full year net profit of US\$59.3 million

- *A record performance driven by strong Own Brands sales through category extensions, brand building investments, new product launches and strengthening of route-to-market capabilities*
- *Proposes final dividend of 2.06 Singapore cents and special dividend of 3.08 Singapore cents per share, which will bring total dividend to a record 8.12 Singapore cents per share*

Financial Highlights (US\$ million)	3 months ended 31 December			Year ended 31 December		
	4Q 2013	4Q 2012	Change (%)	FY2013	FY2012	Change (%)
BRANDED CONSUMER BUSINESS						
Revenue	130.4	117.8	▲10.7	508.8	471.6	▲7.9
EBITDA	23.8	23.1	▲3.0	91.7	84.8	▲8.1
Net Profit	15.7	14.7	▲6.3	59.3	54.5	▲8.8
DIVESTED COCOA INGREDIENTS BUSINESS <i>(divestment completed on 30 June 2013)</i>						
Net (loss)/profit from divested Cocoa Ingredients ⁽¹⁾	0.2	(31.4)	NM	(38.8)	(28.6)	NM
Group Net Profit	15.9	(16.7)	NM	20.6	25.9	▼20.6

⁽¹⁾ The financial results of the Cocoa Ingredients Division were no longer consolidated as part of the Group's 4Q 2013 results. However, the 1H 2013 financial results of the divested Division was still consolidated as part of the Group's results in FY2013.

SINGAPORE - 26 February 2014 - Petra Foods Limited ("Petra Foods" or the "Group") today announced that its Branded Consumer business achieved strong earnings of US\$59.3 million, in the Group's US Dollar reporting currency, for the full year ended 31 December 2013 ("FY2013") on the back of sales of US\$508.8 million. This represented a record performance achieved with a 7.9% increase in sales and an 8.8% growth in earnings as compared to the previous year ("FY2012").

At comparable 2012 exchange rates, net profit growth in the Branded Consumer Division in local currency terms was higher at 20.8% for FY2013.

The strong performance of the Branded Consumer business can be attributed to the Group's efforts to strengthen its business model, and key distribution capabilities to better compete in the marketplace, as well as the expansion of its product portfolio. As a result, Petra Foods was able to close FY2013 with a strong showing despite challenges in the form of volatility in

the regional currencies, particularly the Rupiah which had weakened significantly against the US dollar, and higher cost inflation.

While the divestment of the Group's Cocoa Ingredients business to Barry Callebaut AG was successfully completed on 30 June 2013, it is still required to include the half year ended 30 June 2013 ("1H 2013") results of the divested business as part of its FY2013 results. In 1H 2013, the divested Cocoa Ingredients business was impacted by significant headwinds affecting cocoa ingredients suppliers worldwide. Hence, despite the strong performance of the Branded Consumer business, after accounting for operating losses of the divested Cocoa Ingredients Division, the Group's net profit was significantly lower at US\$20.6 million compared to a year ago.

Based on the weighted average number of 611,157,000 ordinary shares in issue, the Group's earnings per share in FY2013 was 3.37 US cents compared to 4.25 US cents in FY2012. Net asset value per share as at 31 December 2013 stood at 47.5 US cents.

SEGMENTAL REVIEW

Branded Consumer Division

Financial Highlights (US\$ million)	3 months ended 31 December				Year ended 31 December			
	4Q 2013	4Q 2012	Change (%)	% change Y-o-Y in Constant Exch Rates	FY2013	FY2012	Change (%)	% change Y-o-Y in Constant Exch Rates
Indonesia	92.6	82.9	▲11.7	▲34.4%	369.8	348.4	▲6.1	17.0%
Regional Markets	37.8	34.9	▲8.3	▲12.2%	139.0	123.2	▲12.8	13.9%
Total Branded Consumer Revenue	130.4	117.8	▲10.7	▲27.8%	508.8	471.6	▲7.9	16.2%
Gross Profit Margin (%)	31.7	30.1	▲1.6% pt	▲1.6% pt	32.0	30.9	▲1.1% pt	▲1.1% pt
EBITDA	23.8	23.1	▲3.0	▲19.5%	91.7	84.8	▲8.1	▲18.4%
Net Profit	15.7	14.7	▲6.3	▲23.6%	59.3	54.5	▲8.8	▲20.8%

Driven by strong volume and product mix gains, Petra Foods' Own Brands sales jumped 12.6% to US\$319.0 million in FY2013. In local currency terms, the Group's Own Brand sales which accounted for more than 60% of total sales, grew 22.6% during the respective period. The dynamic regional consumption of chocolate confectionery coupled with product innovation (36 new products were launched in FY2013), brand building strategies and route-to-market capabilities were the key reasons behind the robust sales of Petra Foods' Own Brands.

Excluding discontinued Agency Brands and adjusted for the translational impact by using the FY2012 exchange rates, the revenue growth for the business in Indonesia would have been 22.8% instead of the reported 6.1% and for the Branded Consumer Division, the overall revenue growth would have been 20.4% instead of the reported 7.9%.

Mr John Chuang, Petra Food's Chief Executive Officer, said: "Given the challenging environment under the weight of rising cost inflation and volatility in the regional currencies, we are very pleased with the strong showing we have achieved in our financial performance in FY2013. Having successfully divested the Cocoa Ingredients business earlier in the year, the Group has been able to focus on its higher return Branded Consumer business in the rapidly expanding regional markets. We believe that by focusing our efforts on product innovation, expanding our product distribution network and exploring strategic investment opportunities, we can, barring unforeseen circumstances, sustain the growth momentum of Petra Foods."

Divestment of Cocoa Ingredients Division successfully completed on 30 June 2013

Following the successful divestment of Petra Foods' Cocoa Ingredients Division on 30 June 2013, net proceeds after allowing for repayment of net borrowings pertaining to the Business that were not transferred with the Sales Assets and the Sale Shares is estimated at US\$164.5 million.

The Group had on 21 October 2013 announced a dispute relating to the final post-completion adjustments in accordance with the Sales and Purchase Agreement. To resolve the dispute surrounding the transaction, Petra Foods Limited had on 16 December 2013, filed a Notice of Arbitration with the Singapore International Arbitration Centre. Shareholders will be updated and further announcements will be made in due course.

Business Prospects

Moving forward, the Group will continue its strategic focus on driving expansion and profitability in its key consumer markets in South East Asia where there is healthy demand for quality chocolate products due to the robust economic growth in the region and the presence of a rapidly expanding middle income class. Its plans include:

- Expanding its key markets and product distribution network;
- Growing its current portfolio of products (especially in the Premium segment) by launching new products and expanding its product offerings into new product categories;
- Investing prudently in its manufacturing and distribution capabilities to capture growth opportunities over the longer term; and
- Exploring possible mergers and acquisitions as well as strategic alliances in new markets and product categories so as to add further value to its earnings over the long term.

Barring unforeseen circumstances, the Group expects the performance of Branded Consumer Division in local currency to remain strong, although the weaker regional currencies will have a translational impact when translated into the Group's US Dollar reporting currency in the next 12 months. Other than any post completion adjustments that are the subject of the arbitration, there will be no further impact from the Cocoa Ingredients business.

Record Dividend Payout

In line with the Group's stellar performance by the Group's Branded Consumer Division, the directors of Petra Foods have proposed a final dividend of 1.64 US cents (or 2.06 Singapore cents) per share and a special dividend of 2.45 US cents or 3.08 Singapore cents per share. If approved by shareholders at the Annual General Meeting on 29 April 2014, including the interim dividend of 2.36 US cents (or 2.98 Singapore cents) per share, shareholders would receive a total dividend of 6.45 US cents (or 8.12 Singapore cents) per share for FY2013.

Having reviewed the capital structure and leverage position of the Group and the Company, the Board of Directors is of the view that the current capital is in excess of its immediate requirements and the Special Dividend will help Petra Foods achieve a more efficient capital structure. And it also enables the Company to distribute some of the sales proceeds from the sale of its Cocoa Ingredients business to shareholders.

Mr Chuang said: "Petra Foods' steady growth and ability to weather economic challenges over the years is a reflection of the Group's careful management of its resources, its efforts to cultivate and develop new and existing markets as well as aggressive product innovation. We are very pleased with the performance achieved by our Branded Consumer Division in FY2013 and to be able to reward our shareholders with a record dividend payout this year."

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ABOUT PETRA FOODS LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Petra Foods Limited and its subsidiaries (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, where it manages 10 master brands and 20 key sub brands. 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 portfolio of well-known agency brands in Indonesia, Singapore, Malaysia and the Philippines.

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.

The Group’s Chief Executive Officer, Mr John Chuang, was also 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.

In November 2013, Petra Foods was awarded Runner-Up in the “Most Transparent Company Award” for the food and beverage sector at the Securities Investors Association (Singapore) Investors’ Choice Awards.

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