

FOR IMMEDIATE RELEASE

## Delfi's 1Q 2016 PATMI rises 9.1% on higher margins

Financial Highlights (US\$ Million)	3 months ended 31 March			
	1Q 2016	1Q 2015	Change (%)	Change in Constant Exchange Rates (%) *
Revenue	103.6	106.2	(2.5)	6.5
EBITDA	14.3	13.8	4.1	14.2
Gross Profit Margin (%)	31.9	30.3	1.6% pt	
<b>PATMI (exclude Exceptional Items)</b>	<b>8.4</b>	<b>7.8</b>	<b>7.8</b>	<b>18.9</b>
<b>PATMI (include Exceptional Items)</b>	<b>8.4</b>	<b>7.7</b>	<b>9.1</b>	<b>20.4</b>

\* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2015 in translating 1Q 2016 results.

**SINGAPORE - 11 May 2016** - With a name change that took effect this week, SGX Mainboard listed chocolate confectionery company Delfi Limited (“**Delfi**” or the “**Group**”), formerly known as Petra Foods Limited, is off to a good start to the year, despite continuing economic uncertainties (especially in Indonesia) and weakness in regional currencies. The Group today announced an EBITDA of US\$14.3 million and PATMI of US\$8.4 million on the back of a revenue of US\$103.6 million for the three months ended 31 March 2016 (“**1Q 2016**”).

Delfi's 1Q 2016 performance reflected a higher gross profit margin of 31.9% achieved as compared to 30.3% in the corresponding quarter in 2015 (“**1Q 2015**”). The Y-o-Y profit growth of 9.1% was achieved on the higher gross profit margin in the Group's US Dollar reporting currency, although in local currency terms, the growth would have been equivalent to 20.4%.

As at 31 March 2016 and based on 611,157,000 weighted average number of ordinary shares in issue, basic earnings per share was 1.38 US cents as compared to 1.27 US cents as at 31 March 2015. Net asset value as at 31 March 2016 was 41.9 US cents as compared to 39.6 US cents as at 31 December 2015.

For 1Q 2016, the Group generated Free Cash Flow of US\$6.7 million through tighter working capital management and focusing our capital expenditure on the most critical and immediately income generating projects.

### Revenue Breakdown by Segment

Financial Highlights (US\$ Million)	3 months ended 31 March			
	1Q 2016	1Q 2015	Change (%)	Change in Constant Exchange Rates (%) *
Indonesia	75.9	73.5	3.2	11.7
Regional Markets	27.7	32.7	(15.3)	(5.0)
<b>Total Revenue</b>	<b>103.6</b>	<b>106.2</b>	<b>(2.5)</b>	<b>6.5</b>

\* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 1Q 2015 in translating 1Q 2016 results.

In local currency terms, Delfi's Own Brands sales in both Indonesia and the Philippines achieved Y-o-Y growth of 11.7% in 1Q 2016. However, reported Agency Brands sales in local currency terms declined 2.4% Y-o-Y because of the closure of the Singapore distribution business in 2015.

- **Indonesia**

The growth achieved in Indonesia was despite the still prevalent macroeconomic uncertainties i.e. slowing economic growth and currency volatility. Although consumer sentiment remained weak as a result, we believed it has not worsened compared to last year.

The growth achieved can be attributed mainly to higher Own Brands sales as our trade customers replenished their supply pipeline and also due to seasonal sales and increased consumer spending.

- **Regional Markets - Philippines, Malaysia and Singapore**

Revenue generated by the Regional Markets in 1Q 2016 were 15.3% lower Y-o-Y in the Group's US Dollar reporting currency. However, in local currency terms and excluding the cessation of the Singapore distribution business, the Group would have achieved a growth of 6.5% Y-o-Y.

### **Business Prospects**

Delfi expects that consumers in its markets will continue to face tough economic conditions that will impact consumption across a number of consumer categories, including chocolate confectionery. However, the Group believes with operations in key regional growth markets as well as its extensive product portfolio, it is well positioned for a sustainable future.

Mr Chuang said: *"In FY2016, our focus is to work closely with our trade customers and partners to deliver sustainable growth by ensuring that our brands are always available, properly displayed and at the right price points. We will continue to accelerate innovation for our Own Brands as this remains a key priority for us because of our goal to reach many more customers by developing innovative products that will appeal to different consumer needs.*

*Over the long term, we expect the consumption environment in our regional markets to be supported by robust economies and fast growing middle income classes. To unlock further value for shareholders, we are also actively exploring opportunities to enter new markets and to extend into new product categories that suit our investment criteria like our recently announced joint venture with South Korea's Orion Corporation."*

Through the combination of a sales driven approach with stepped up productivity measures, Delfi expects its FY2016 performance to be better than FY2015, barring unforeseen circumstances. The Group will also strengthen its cash flow generation through tighter cost containment initiatives.

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## **ABOUT DELFI LIMITED**

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Delfi 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.

Formerly called Petra Foods Limited until an official name change that took effect on 9 May 2016, Delfi has an established portfolio of chocolate confectionery brands which are household names in Indonesia. 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, Malaysia and the Philippines.

The Group was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003 and was recognised as the “Best Newly Listed Singapore Company in 2004” in AsiaMoney’s Best Managed Companies Poll 2004. It 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, Delfi Limited 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. In 2015, the Group bagged a Bronze award for “Best Managed Board” under the “companies with S\$1 billion and above in market capitalisation” category.

Delfi Limited’s Chief Executive Officer, Mr John Chuang, was also recognised for his leadership and management of the Group. He was named “Best Chief Executive Officer” at the 2011 Singapore Corporate Awards, “Businessman of the Year” at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

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