

2004 Full Year Financial Results

24 February 2005

PETRA FOODS
LIMITED
(Registration no. 198403096C)

- ***Public listing on 5 November 2004 - Group balance sheet strengthened with US\$54.8 million in net IPO proceeds.***
 - ✓ ***Net debt to equity reduced from 1.86 times as at end 2003 to 0.56 times as at end 2004.***
- ***Awarded the “Best Newly Listed Company” in Singapore in 2004 Asiamoney’s Poll.***



Important note on forward-looking statements

The presentation herein may contain forward looking statements by the management of Petra Foods Limited (“Petra”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as representation as to future performance of Petra. Therefore, the actual performance of Petra may differ significantly from expressions provided herein.

Outline

- Business Overview
- 2004 Financial Review
- Review by Division
- Business Outlook 2005
- Q & A

Business Overview

2004 Business Overview

- NPAT growth of **56.4%** driven by strong volume growth and earnings improvements in our 2 business divisions.
- 70% of total revenue is from Cocoa Ingredients and 30% from Branded Consumer.
- Successfully assimilated acquired cocoa factories in Latin America and new factory in Malaysia.
- Gained market share in Indonesia chocolate confectionery market: 57.2% at year end (0.3% point increase).

Growth momentum continues in 2005

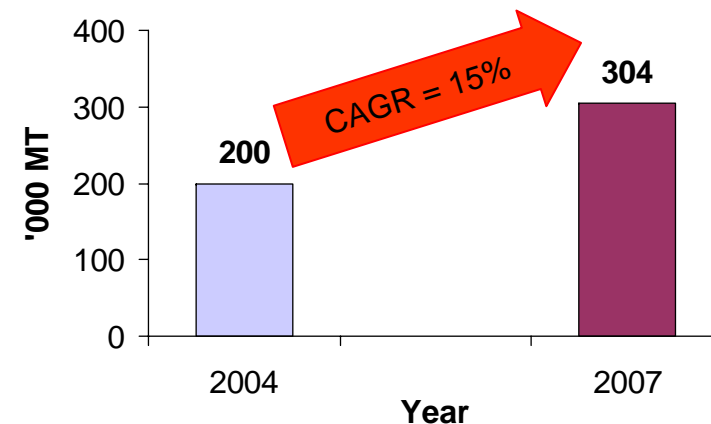
- Expect strong growth momentum to continue for both divisions.
- Investment for growth. Strategic CAPEX program of US\$75m over next 3 years.
 - ✓ Additional capacity to meet demand and to support growth momentum.
 - ✓ Continue focus on higher grades and more customized products.
 - ✓ Capabilities to produce new products and variants (Branded Consumer).
- Recommending a final dividend of US\$3 million for FY2004 (equivalent to 0.56 US cents per share).
- Dividend payout ratio for 2005 is targeted at 40%.

3-Year Capacity and Capabilities Expansion Drive

Cocoa Ingredients

- Target to grow organic capacity at CAGR of 15% for the next 3 years.
- Continue focus on higher grades and more customized cocoa products.
- Projected CAPEX of US\$45M from 2005 to 2007.

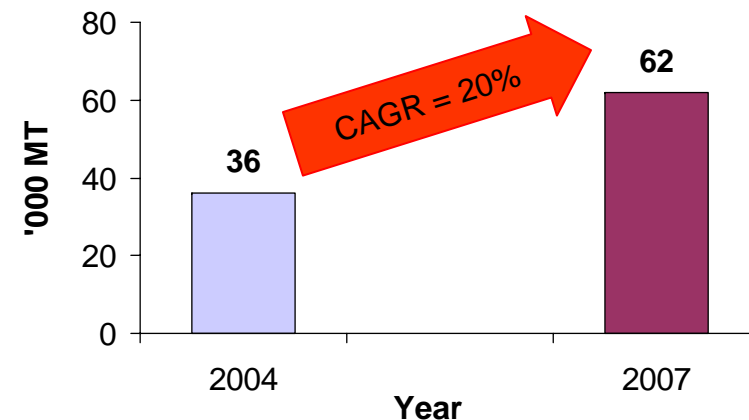
Projected Installed Cocoa Bean Grind Capacity



Branded Consumer

- Indonesia's market continues to grow strongly, we have 57.2% market share.
- Target to grow organic capacity at CAGR of 20% for the next 3 years.
- Projected CAPEX of US\$30M from 2005 to 2007.

Projected Installed Chocolate Products Capacity



Strategy for Growth

Building on existing strengths that have brought us success

Cocoa Ingredients

- Extend and deepen relationships with international food and beverage manufacturers and be the partner of choice.
- Increase global market share through strategic alliances or acquisitions.
- Pursue demand-led expansion of our manufacturing facilities.

Branded Consumer

- Dominate the market in Indonesia.
- Leverage market leadership position to grow the business.
- Extend and deepen sales in other Asian countries.

2004 Financial Review

2004 Highlights

- Full Year Results

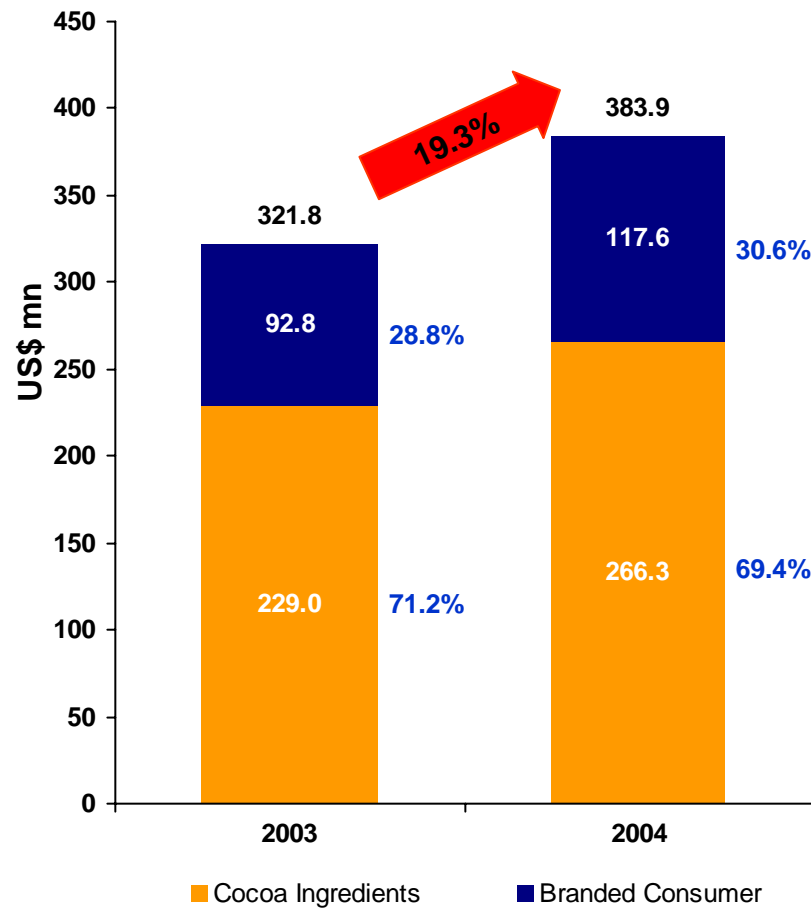
In US\$'000	2004	2003	Growth (%)
Turnover	383,926	321,840	↑ 19.3%
EBITDA	39,861	31,467	↑ 26.7%
Profit After Tax and Minority Interest	18,380	11,750	↑ 56.4%
EPS (diluted)	5.3 US cents	3.0 US cents	↑ 76.7%
Average ROE (%)	18.0%*	18.5%	
Net Debt/Equity	0.56	1.86	

* Significant improvement in PAT would have resulted in much higher ROE if we exclude US\$54.8 million IPO monies in Nov 2004.

FY2004 Another Strong Performance

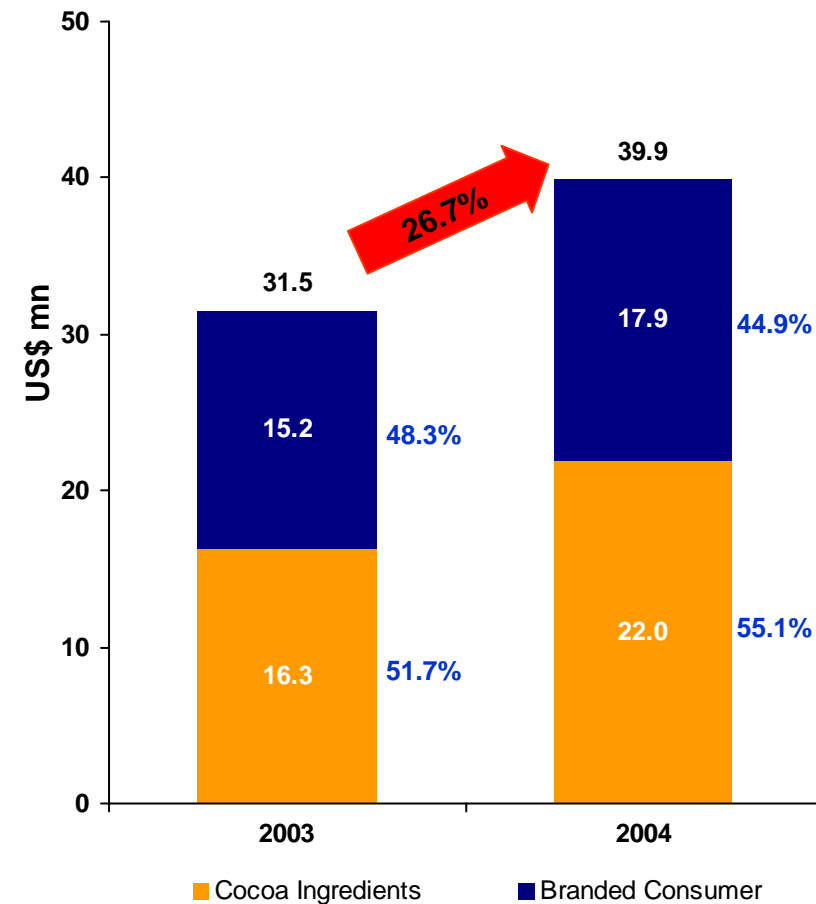
Strong revenue and EBITDA growth across both divisions

Turnover



Source: Petra

EBITDA



Source: Petra

Positive Operating Cash Flow

2004
(US\$ million)

Cash flow from operating activities

Operating profit	24
Depreciation, amortization and other non-cash items	16
	<hr/>
	40

Investment in working capital	(12)
Interest & tax paid	(12)
	<hr/>

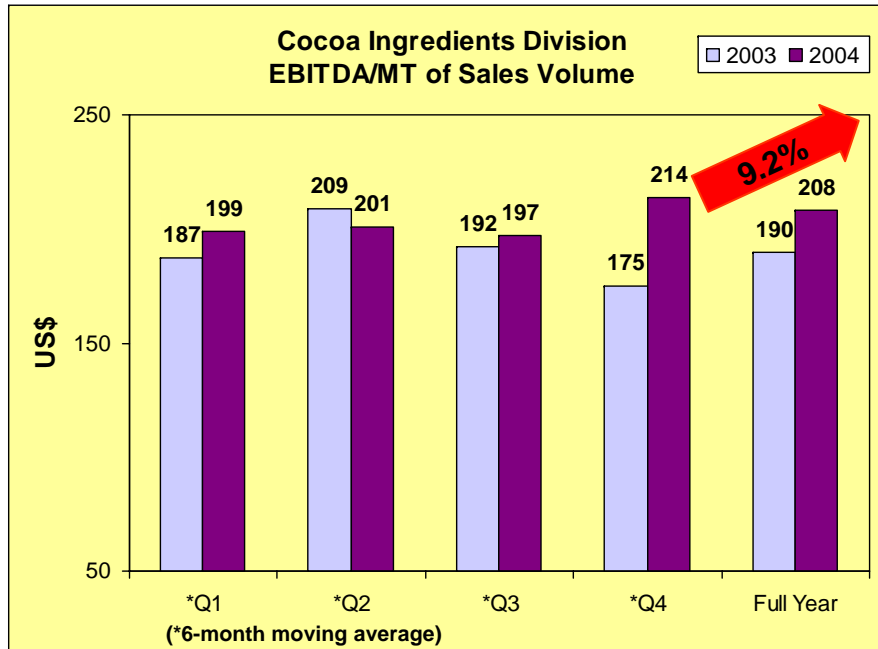
Net cash from operating activities	16
---	-----------

Capex & investments	(14)
	<hr/>

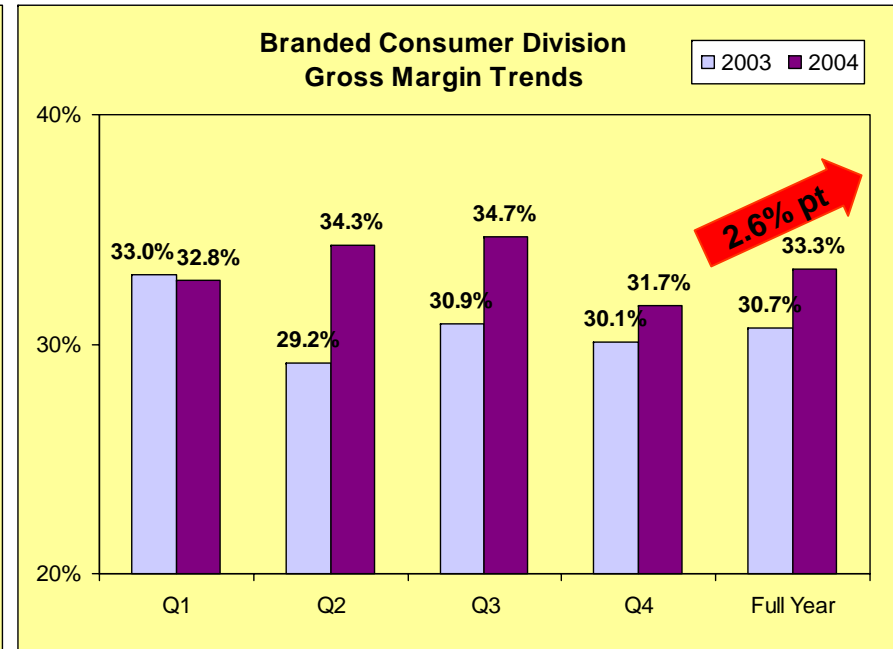
Free cash flow	2
-----------------------	----------

**Strong cash flow further strengthen's financial
 position to drive future growth**

Continued growth in key profitability indicators



- Year-on-year EBITDA/MT increased due to higher efficiencies and higher margins.



- Lower margin in Q4 due to increase in raw material and packaging material costs.
- Gross margin in line with expectation of staying above 30%.

Use of IPO Proceeds

- Net proceeds of US\$54.8 million.

- Temporary use of funds pending planned investments:

✓	Reduction in trade finance	US\$ 26.0 m
✓	Reduction in short term borrowings	14.2
✓	Cash and cash equivalent	14.6
	Total	<u>US\$ 54.8 m</u>

- Planned use of proceeds:

✓	Capex investment for Cocoa Ingredients	US\$ 24.0 m
✓	Capex investment for Branded Consumer	15.0
✓	Strategic investment	11.0
✓	Working capital	4.8
	Total	<u>US\$ 54.8 m</u>

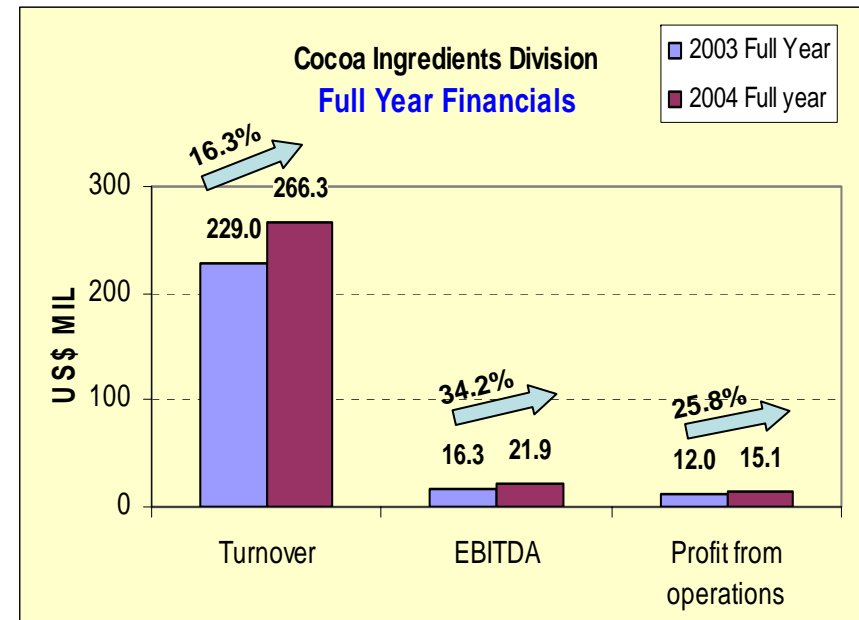
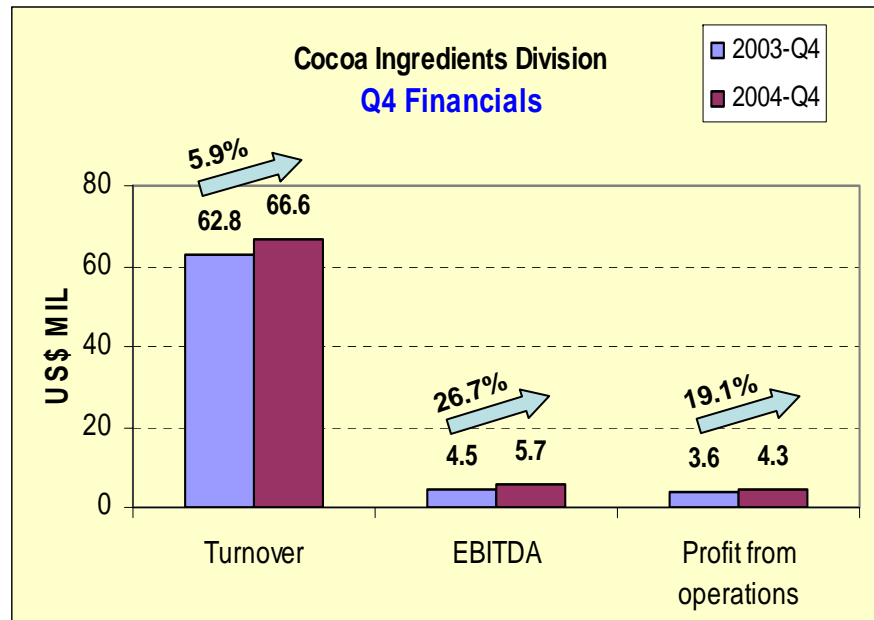
Optimize the financing structure

- Concluded US\$110 million Revolving Trade Finance Facility on 7 February 2005.
 - ✓ Consolidated the Group existing trade debt facilities into a common umbrella.
 - ✓ Flexibility and better alignment of working capital finance to meet future growth requirement.
 - ✓ Three year committed facility.
 - ✓ Lower total cost of financing.

Review by Division

Cocoa Ingredients Division

- Financial Highlights



- Growth supported by strong and continuing demand from international F&B customers.
- EBITDA and profit from operations grew strongly on the back of better EBITDA/MT margin.
- Continued focus on higher grade cocoa ingredient drives profitability.
- Year-on-Year growth benefited from the additional capacity in Malaysia which came on stream in 2nd half 2003.

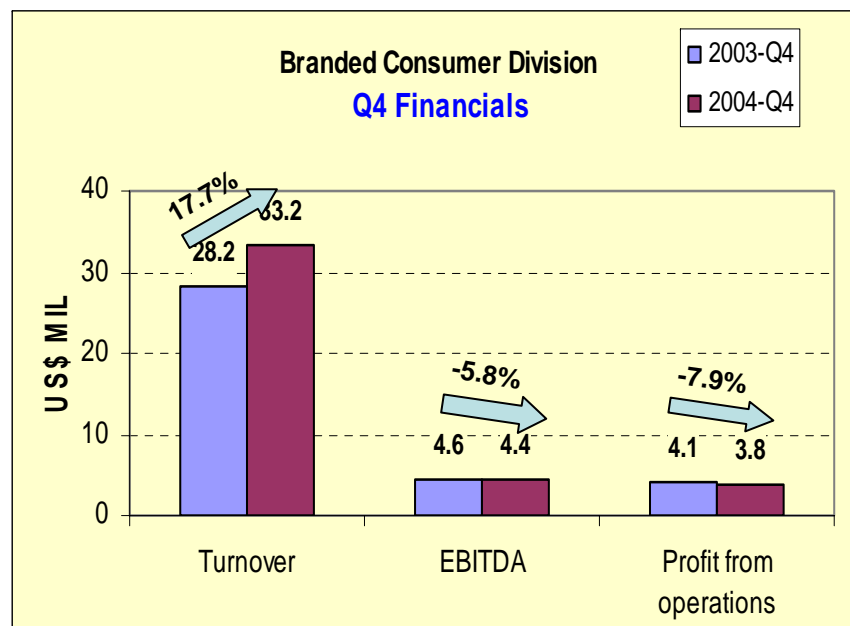
Cocoa Ingredients Division

- Operational Review

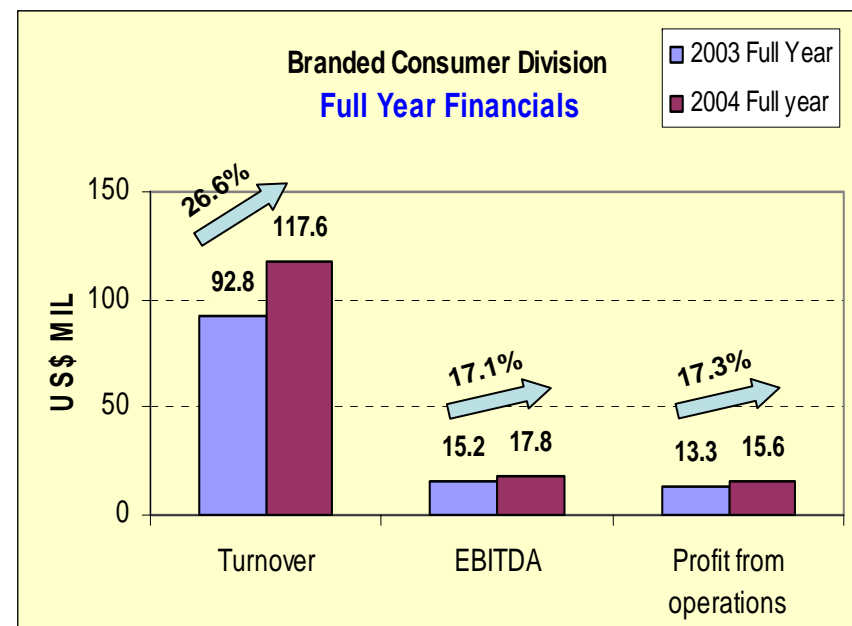
- Sales volume increase by 23.6% from 85,780 tons to 106,023 tons.
- Weighted utilization rate at 90.4% in 2004 vs 87.1% in 2003.
- EBITDA/MT increased from US\$190/MT to US\$208/MT or by 9.2%.
- Successfully integrated 2 Latin America cocoa processing facilities acquired from Nestle in late 2003.

Branded Consumer Division

- Financial Highlights



- Q4 Revenue grew by 17.7%. This is in line with expectation.
- Q4 2004 had a one-time additional provision for mandatory employee retirement benefit in Indonesia (which came into effect in October 2004) and higher repair & maintenance amounting to US\$0.9 million.
- Excluding the effect of one-time provisions, Q4 2004 EBITDA and Profit from Operations increased by 15.2% and 14.6% correspondingly.



- In FY2004, we invested in higher level of A&P expenditure to support the new products launch and consumer trade activities. We also strengthened further the sales and marketing network (leading to higher staff cost) to better position ourselves for the growth momentum.
- This resulted in a lower profitability growth compared to revenue growth.

Branded Consumer Division

- Operational Review

- Extended Indonesian distribution network
 - ✓ Stock points increased from 101 in 2003 to 111 in 2004.
- Continued innovation to stay ahead of competition
 - ✓ Introduced 33 new SKUs in 2004.
- Expanded market share in Indonesia
 - ✓ Petra's chocolate confectionery market share in Indonesia increased from 56.9% (Mar/Apr 2004) to 57.2% (Nov/Dec 2004) --- Source: AC Nielsen.

Business Outlook 2005

Business Outlook 2005

- Cocoa Ingredients Division

- Outsourcing trend continues to present opportunities.
- Demand for cocoa ingredients remains strong from both existing partners and new customers.
- Expect to sell more to major international confectionery companies.
- Fluctuations (increases and decreases) in bean prices will continue to be passed through to customers.
- Our key success factor is the strict adherence to the risk management practices as set out by the Board to lock-in raw material costs and protect margins.

Business Outlook 2005

- Branded Consumer Division

- Greater political stability in Indonesia will enhance economic growth and in turn spur investment and drive consumption growth.
- Modern trade continues to grow, especially in cities outside Jakarta.
- Capitalize on leading market share of 57.2% to continue to grow our business in Indonesia.
- Raw materials and packaging cost likely to increase, due to higher oil prices.
- Appropriate price adjustment (implemented in February 2005) for our products to offset cost increase.

Petra's Investment Highlights

- One of the world's major cocoa ingredients manufacturers, with a global market share of 7%.
- A major player in branded chocolate confectionery products in Asia and the market leader in Indonesia with 57% market share.
- Proven high-growth business model with over 50 years of history and experience in the manufacture of chocolate products.
- We have achieved substantial revenue and EBITDA growth with 2001-2004 revenue and EBITDA CAGR of 38% and 30% respectively.
 - ✓ Our two business divisions, whilst distinct are complementary financially and strategically.
 - ✓ A business model that is able to deliver substantial growth, attractive returns without taking extraordinary business risk.
- Our success stems from our strong management team that have a proven track record in executing our growth strategy.

Questions and Answers

Statement by ABN AMRO Rothschild, the issue manager and the sponsor of the initial public offering of Petra Foods Limited's (the Company) shares:-

ABN AMRO Rothschild (being the unincorporated equity capital markets joint venture between ABN AMRO Bank N.V., Singapore branch, and N.M. Rothschild & Sons (Singapore) Limited, each trading as ABN AMRO Rothschild) acted as the Global Co-ordinator, Bookrunner and Lead Manager in respect of the initial public offering of ordinary shares of \$0.10 each in the capital of the Company which was completed on 5 November 2004.

This announcement has been prepared and released by the Company. ABN AMRO Rothschild is not required to and has not been involved in the preparation or release of this announcement and has not verified the accuracy, completeness or adequacy of the information contained herein. Accordingly, no representation, warranty, covenant or recommendation, express or implied, is made by ABN AMRO Rothschild or any of its affiliates (including any subsidiaries and/ or holding companies thereof), branches, joint venture partners or any of its or their directors, officers, employees, agents or representatives as to the accuracy, completeness or adequacy of the information contained in this announcement, and nothing contained in this announcement is, or shall be relied upon as, a promise, representation, covenant or recommendation by ABN AMRO Rothschild or any of its affiliates (including any subsidiaries and/ or holding companies thereof), branches, joint venture partners or any of its or their directors, officers, employees, agents or representatives. ABN AMRO Rothschild does not accept any responsibility for, and disclaims any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.