Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 2007

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

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1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group			Group		
		2Q ended 30 June			Half year ended 30 June		
		2007	2006	Change	**2007**	2006	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Sales	1	**198,372**	120,977	64.0%	**360,275**	235,643	52.9%
Cost of Sales	2	**(167,815)**	(94,687)	77.2%	**(302,187)**	(186,732)	61.8%
Gross Profit		**30,557**	26,290	16.2%	**58,088**	48,911	18.8%
Other operating income		**605**	273	121.6%	**1,278**	1,647	(22.4%)
Selling and Distribution costs		**(13,948)**	(10,476)	33.1%	**(25,428)**	(19,581)	29.9%
Administrative expenses		**(6,108)**	(5,184)	17.8%	**(11,286)**	(9,009)	25.3%
Finance Costs	3	**(2,488)**	(2,292)	8.6%	**(4,648)**	(4,112)	13.0%
Other operating expenses		**(141)**	(255)	(44.7%)	**(283)**	(318)	(11.0%)
Share of results of associates		**(71)**	(25)	NM	**(116)**	(120)	(3.3%)
Profit before tax and exceptional items		**8,406**	8,331	0.9%	**17,605**	17,418	1.1%
Exceptional Items		**-**	-	NM	**-**	1,516	NM
Profit before tax		**8,406**	8,331	0.9%	**17,605**	18,934	(7.0%)
Income tax expense		**(1,886)**	(1,861)	1.3%	**(4,142)**	(4,050)	2.3%
Profit after tax		**6,520**	6,470	0.8%	**13,463**	14,884	(9.5%)
Profit after tax before exceptional items		**6,520**	6,470	0.8%	**13,463**	13,368	0.7%
Attributable to:							
Equity holders of the company		**6,612**	6,470	2.2%	**13,579**	14,884	(8.8%)
Minority Interest		**(92)**	-	NM	**(116)**	-	NM
		6,520	6,470	0.8%	**13,463**	14,884	(9.5%)
EBITDA[1]		**14,526**	13,386	8.5%	**29,176**	26,951	8.3%
Earnings per Share[2]							
- Before exceptional items (US cents)		**1.24**	1.22	1.6%	**2.55**	2.51	1.6%
- After exceptional items (US cents)		**1.24**	1.22	1.6%	**2.55**	2.80	(8.9%)
Return on Equity[3]							
- Before exceptional items[5]					**15.6%**	16.9%[4]	(1.3%)pts
- After exceptional items					**15.6%**	18.0%[4]	NM

Notes

NM denotes not meaningful

1 EBITDA represents net profit before exceptional items, net interest expense, income tax expense, depreciation and amortization expense.

2 Diluted earnings per share for 2Q and half year 2007 are the same as basic earnings per share since there were no dilutive potential ordinary shares.

3 For comparative purposes, ROE is computed based on profit attributable to equity holders of the Company divided by total equity (excluding minority interests).

4 Relates to full year Y2006 audited figures.

5 Total equity was adjusted for FY2006 exceptional gain of US$1.8m.

Explanatory notes on income statement

Note 1 - Breakdown of sales by division

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cocoa Ingredients Division	**136,689**	76,052	79.7%	**244,679**	151,679	61.3%
Branded Consumer Division	**61,683**	44,925	37.3%	**115,596**	83,964	37.7%
	198,372	120,977	64.0%	**360,275**	235,643	52.9%

Note 2 - Cost of Sales

Cost of sales consists of cost of goods sold, costs of processing services rendered and net gain or loss on derivatives and hedge adjustment on inventory.

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cost of goods sold	**168,616**	92,676	81.9%	**300,792**	183,318	64.1%
Cost of services	**1,546**	2,601	(40.6%)	**5,465**	5,434	0.6%
	170,162	95,277	78.6%	**306,257**	188,752	62.3%
Adjusted for:						
Fair value hedge adjustment of inventory	**859**	(5,573)	N/M	**(8,383)**	(5,470)	N/M
Fair value loss on cocoa bean derivatives	**58**	7,008	(99.2%)	**8,406**	6,464	30.0%
Transfer from cash flow hedge reserve - cocoa bean derivatives	**(1,767)**	(419)	N/M	**(2,706)**	(486)	NM
Fair value (gain)/loss on foreign exchange derivatives	**(995)**	(1,807)	(44.9%)	**(831)**	(2,464)	(66.3%)
	(1,845)	(791)	N/M	**(3,514)**	(1,956)	79.7%
	168,317	94,486	78.1%	**302,743**	186,796	62.1%
Net foreign exchange (gain)/loss	**(502)**	201	N/M	**(556)**	(64)	N/M
Cost of Sales	**167,815**	94,687	77.2%	**302,187**	186,732	61.8%

Note 3 - Finance costs (Net)

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Interest Expense	**(3,127)**	(2,515)	24.3%	**(5,504)**	(4,538)	21.3%
Fair value Gain/(Loss) on interest rate derivatives	**218**	187	16.6%	**185**	357	(48.2%)
Transfer from cash flow hedge	**419**	41	N/M	**675**	(6)	N/M
Net interest expense	**(2,490)**	(2,287)	8.9%	**(4,644)**	(4,187)	10.9%
Net foreign exchange gain / (loss)	**2**	(5)	N/M	**(4)**	75	N/M
Total finance costs	**(2,488)**	(2,292)	8.6%	**(4,648)**	(4,112)	13.0%

Note 4 - Profit before income tax

Net Profit before income tax is arrived after (deducting)/crediting the following:

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment	**(3,635)**	(2,817)	29.0%	**(6,975)**	(5,465)	27.6%
Amortisation of intangible assets	**(41)**	(19)	NM	**(68)**	(34)	100.0%
Net foreign exchange (loss)/ gain	**502**	(60)	NM	**670**	1,727	(61.2%)
Over/(Under) provision of tax in prior years	**(45)**	100	NM	**(360)**	154	NM
Write off of property, plant and equipment	**-**	-	NM	**-**	(825)	NM
Gain/(loss) on disposal of property, plant and equipment	**22**	106	NM	**103**	47	NM
Impairment/(write back) of debtors	**(14)**	(12)	16.7%	**(14)**	(145)	NM
Inventories written off	**(291)**	(68)	NM	**(444)**	(196)	NM
Write back/(allowance) for inventory obsolescence	**(185)**	-	NM	**(302)**	(225)	(40.0%)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		30-Jun-07	31-Dec-06	**30-Jun-07**	31-Dec-06
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**6,416**	10,023	**135**	711
Derivative assets		**21,068**	4,718	**21,102**	10,733
Trade receivables		**76,722**	62,775	**101,813**	94,199
Inventories		**192,004**	111,920	**11,941**	1,107
Other current assets		**31,044**	16,571	**9,548**	9,742
		327,254	206,007	**144,539**	116,492
Non-current assets					
Investments in subsidiaries	1	**-**	-	**71,337**	47,933
Investments in associated companies		**2,937**	3,065	**3,000**	3,000
Receivables from subsidiaries		**-**	-	**12,500**	15,000
Loans to associated company		**2,487**	2,319	**-**	-
Property, plant and equipment	2	**180,346**	140,917	**2,238**	2,718
Intangibles assets		**17,916**	14,931	**1,784**	1,784
Deferred income tax assets		**384**	658	**-**	-
Other non-current assets		**998**	793	**-**	1,350
		205,068	162,683	**90,859**	71,785
Total Assets		**532,322**	368,690	**235,398**	188,277
LIABILITIES					
Current liabilities					
Trade payables		**57,131**	37,211	**33,794**	20,539
Other payables		**28,221**	20,952	**5,189**	2,763
Derivative liabilities		**30,052**	3,614	**12,192**	3,614
Current income tax liabilities		**2,658**	2,349	**1,363**	1,979
Borrowings	3	**116,802**	87,293	**13,497**	26,585
		234,864	151,419	**66,035**	55,480
Non-current liabilities					
Borrowings	3	**94,196**	37,645	**39,476**	400
Deferred income tax liabilities	4	**6,616**	3,857	**363**	211
Provisions for other liabilities and charges		**4,103**	3,816	**-**	-
		104,915	45,318	**39,839**	611
Total liabilities		**339,779**	196,737	**105,874**	56,091
NET ASSETS		**192,543**	171,953	**129,524**	132,186
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital and share premium		**95,767**	95,767	**95,767**	95,767
Foreign currency translation reserve		**(1,582)**	(2,273)	**-**	-
Other reserves		**(212)**	420	**(1,374)**	(702)
Retained earnings		**86,015**	78,039	**35,131**	37,121
Shareholders' equity		**179,988**	171,953	**129,524**	132,186
Minority interests	5	**12,555**	-	**-**	-
Total equity		**192,543**	171,953	**129,524**	132,186

Explanatory notes on balance sheet

Note 1 - Investments in subsidiaries

a. Increase in Issued and Paid Up Capital in Delfi Marketing Sdn Bhd

On 14 February 2007, the Company increased its paid up capital in Delfi Marketing Sdn Bhd, a wholly owned subsidiary in Malaysia from RM5,675,000 to RM10,750,000. The new shares were settled by way of capitalising the full amount of a loan owing by Delfi Marketing Sdn Bhd to the Company.

b. Acquisition of a 60% stake in a European Cocoa Ingredients Operation

On 1 March 2007, the Company entered into a shareholders' and share subscription agreement through which it acquired a 60% equity stake in Petra Armajaro Holdings Pte Ltd, an investment holding company incorporated in Singapore that undertakes the manufacture, sale and distribution of cocoa ingredients in the European market. The remaining 40% equity is held by Armajaro Holdings Limited ("Armajaro"), a global commodities trading and financial services group.

Through its wholly-owned subsidiaries, Petra Armajaro Holdings Pte Ltd holds the following assets:

Name of subsidiary	Assets Acquired
Delfi Cocoa (Europe) GmbH	A cocoa ingredients manufacturing factory located in Hamburg, Germany
Delfi Nord Cacao SAS	A specialised cocoa butter facility located in Dunkirk, France The "NordCacao" brand under which the specialised butter is currently marketed.
Delfi Cocoa (Europe) BV	An existing supply chain management team based in Holland

Total consideration paid for the Company's 60% equity stake was Euro16 million (US$20.96 million). The purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into account inter alia the financial condition, the manufacturing capability of the assets, customer base and cash-flow generating capabilities of the assets acquired. The acquisition was funded through internal sources and bank borrowings.

In accordance with the requirement of FRS 103, the Company has initiated an exercise to determine the fair value of its subsidiaries' assets and liabilities ("fair value exercise"). As of 30 June 2007, the fair value exercise has not been completed and finalised. Thus, the fair value of the net assets acquired has been determined on a provisional basis. Once the fair value exercise is completed, the purchase price allocation of goodwill, intangible assets (if any) and net assets acquired may need to be adjusted. The fair value exercise is expected be finalised by this financial year end.

Note 2 - Property, plant and equipment

The fair value of property, plant and equipment acquired in the European Cocoa Ingredients was estimated at US$35 million which may have to be adjusted when the fair value exercise is completed.

Total capital expenditure for half year 2007 amounted to US$10.6 million as follows:

	2Q	30 June 2007
	US$000	US$000
Cocoa Ingredients	2,735	6,051
Branded consumer	3,977	4,562
	6,712	**10,613**

Note 3 - Borrowings

	Group		Company	
	30-Jun-07	31-Dec-06	**30-Jun-07**	31-Dec-06
	US$'000	US$'000	**US$'000**	US$'000
(a) Current				
Bank overdraft	**25,767**	28,508	**303**	198
Bank loans	**24,345**	28,704	**-**	-
Lease liabilities	**1,222**	1,242	**129**	132
Trade Finance	**65,468**	28,839	**13,065**	26,255
	116,802	87,293	**13,497**	26,585
(b) Non Current				
Bank loans	**53,292**	35,285	**-**	-
MTN	**39,139**	-	**39,139**	-
Lease Liabilities	**1,765**	2,360	**337**	400
	94,196	37,645	**39,476**	400

On 11 January 2007, the Company issued a 5-year fixed rate S$60 million Medium Term Note under the S$300 million MTN programme established on 4 December 2006. The Notes are unsecured and swapped into USD. The proceeds were used to fund acquisition of the European Cocoa ingredients operations and to refinance existing working capital facilities.

On 1 March 2007, there was a loan of Euro 13 million (US$17.1 million) on acquisition of the European operations.

Note 4 - Deferred Income Tax Liabilities

A provision of US$2.4 million was made due to the acquisition of the European subsidiaries which may be adjusted after the fair value exercise is completed.

Note 5 - Minority Interests

This represents Armajaro's 40% share in the provisional fair value of the net assets acquired of the European subsidiaries which may be adjusted after the fair value exercise is completed.

Note 6 - Key Ratios

	Group	
	30-Jun-07	31-Dec-06
Current Ratio	**1.39**	1.36
Average Inventory Days	**92**	90
Average Receivable Days	**35**	38
Total Borrowing to Net Worth Ratio	**1.10**	0.73
Total Borrowing to Tangible Net Worth Ratio	**1.21**	0.80
Net Debt to Equity (times)	**1.06**	0.67
Adjusted Net Debt to Equity (times)*	**0.72**	0.50
Interest Coverage Ratio (times)	**4.8**	5.0
Return on Equity (annualized)		
before Exceptional Items	**15.6%**	16.9%
after Exceptional Items	**15.4%**	18.0%

* Note: The Adjusted Net Debt to Equity Ratio is adjusted for Working Capital facilities (including Trade Finance) which are used to fund cocoa beans/raw material inventory

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

	Group		Company	
	30-Jun-07	31-Dec-06	**30-Jun-07**	31-Dec-06
Amount repayable in one year or less, or on demand				
- Secured	**40,717**	9,752	**-**	132
- Unsecured	**76,085**	77,541	**13,497**	26,453
	116,802	87,293	**13,497**	26,585
Amount repayable after one year				
- Secured	**31,287**	15,823	**337**	400
- Unsecured	**62,909**	21,822	**39,139**	-
	94,196	37,645	**39,476**	400

Details of collateral

Total bank borrowings of US$72.0 million obtained by subsidiaries in the Group are secured on trade receivables, inventory, property plant and equipment and legal mortgages of land and properties.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Half year ended 30-Jun-07 US$'000	30-Jun-06 US$'000
Cash flows from operating activities			
Profit before tax		**17,605**	18,934
Adjustments for:			
Depreciation & amortisation		**7,043**	5,499
Exceptional items		**-**	(1,516)
Gain on disposals of property, plant and equipment		**(103)**	(47)
Interest income		**(116)**	(153)
Interest expense		**4,648**	4,538
Fair value of inventories		**(8,383)**	(5,470)
Fair value of derivatives		**4,253**	2,458
Net foreign exchange loss/(gain)		**4**	(75)
Share of loss from associated companies		**116**	120
Operating cash flow before working capital changes		**25,067**	24,288
Change in operating assets and liabilities, net of effects from purchase of subsidiaries			
Inventories		**(52,357)**	(18,512)
Trade and other receivables		**(27,249)**	(237)
Trade and other payables		**20,621**	7,051
Trade finance		**36,629**	14,298
Cash generated from operations		**2,711**	26,888
Interest received		**116**	153
Interest paid		**(1,309)**	(1,076)
Income tax paid		**(3,210)**	(3,586)
Net cash provided by operating activities		**(1,692)**	22,379
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	1	**(14,297)**	(6,390)
Acquisition of additional interests in subsidiaries		**-**	(410)
Purchases of property, plant and equipment		**(10,613)**	(19,300)
Payments for patent & trademark		**(7)**	(1,794)
Loan to associates		**-**	(2,101)
Proceeds from disposals of property, plant and equipment		**111**	162
Net cash used in investing activities		**(24,806)**	(29,833)
Cash flows from financing activities			
Proceeds from borrowings		**10,110**	18,885
Proceeds from Medium Term Note	2	**39,139**	-
Repayments of borrowings		**(13,612)**	(3,607)
Repayment of lease liabilities - net		**(615)**	(24)
Interest paid		**(3,339)**	(3,462)
Dividend paid to equity holders of company		**(5,603)**	(5,257)
Decrease/(increase) in fixed deposits held as collateral with financial institutions		**-**	28
Net cash from financing activities		**26,080**	6,563
Net increase/(decrease) in cash and cash equivalents		**(418)**	(891)
Cash and cash equivalents at the beginning of the financial year		**(18,485)**	(22,961)
Net effect of exchange rate changes in consolidating subsidiaries		**(448)**	231
Cash and cash equivalents at the end of the financial period		**(19,351)**	(23,621)

Cash and cash equivalents included in cash flow statement comprise the following balance sheet amounts:

	Half year ended	
	30-Jun-07	30-Jun-06
	US$'000	US$'000
Cash and bank balances	**6,416**	9,001
Less : Fixed deposits held as collateral with financial institutions	**-**	(579)
Less: Bank overdrafts	**(25,767)**	(32,043)
	(19,351)	(23,621)

Note 1 - Acquisition of European Cocoa Ingredients Operations

The cash flow effects of the acquisition are as follows:

	US$'000
Provisional fair value of net identifiable assets acquired	49,060
Loan on acquisition	(17,150)
	31,910
Minority interest arising upon acquisition	(12,764)
Cost of Investment	19,146
Goodwill on acquisition	3,046
Consideration paid in cash	22,192
Less: Cash of subsidiary companies	(7,895)
Cash flow on acquisition net of cash and cash equivalent acquired	**14,297**

As disclosed in paragraph 1(b)(i), the fair value of the net assets acquired has been determined on a provisional basis as the fair value exercise has not been completed and finalised as at 30 June 2007. The fair value of net assets, goodwill arising from acquisition and minority share may have to be adjusted once the fair value exercise is completed.

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity
For the period ended 30 June 2007

	Attributable to equity holders of the Company						
	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	General reserve	Retained earnings	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group							
1Q 2007							
Balance at 1 January 2007	95,767	(2,273)	(526)	946	78,039	-	171,953
Currency translation differences	-	(20)	-	-	-	-	(20)
Cash flow hedges	-	-	(1,822)	-	-	-	(1,822)
Tax on fair value gain	-	-	198	-	-	-	198
Net gains recognised directly in equity	-	(20)	(1,624)	-	-	-	(1,644)
Net profit for the period	-	-	-	-	6,967	(24)	6,943
Total recognised gains/(losses)	-	(20)	(1,624)	-	6,967	(24)	5,299
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	14,382	14,382
Balance at 31 March 2007	95,767	(2,293)	(2,150)	946	85,006	14,358	191,634
2Q 2007							
Balance at 1 April 2007	95,767	(2,293)	(2,150)	946	85,006	14,358	191,634
Currency translation differences	-	711	-	-	-	-	711
Cash flow hedges	-	-	1,083	-	-	-	1,083
Tax on fair value gain	-	-	(91)	-	-	-	(91)
Net gains recognised directly in equity	-	711	992	-	-	-	1,703
Net profit for the period	-	-	-	-	6,612	(92)	6,520
Total recognised gains/(losses)	-	711	992	-	6,612	(92)	8,223
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	(1,711)*	(1,711)
Dividend relating to 2006	-	-	-	-	(5,603)	-	(5,603)
Balance at 30 June 2007	95,767	(1,582)	(1,158)	946	86,015	12,555	192,543

* The figures are after accounting for minority interest 40% share of costs incurred for the acquisition.

Statement of Changes in Equity
For the first quarter ended 31 March 2007

	Share capital and share premium	Cash flow hedge reserve	Retained earnings	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
The Company				
1Q 2007				
Balance at 1 January 2007	95,767	(702)	37,121	132,186
Cash flow hedges	-	(1,656)	-	(1,656)
Tax on fair value gain	-	165	-	165
Net losses recognised directly in equity	-	(1,491)	-	(1,491)
Net profit for the period	-	-	720	720
Total recognised gains/(losses)	-	(1,491)	720	(771)
Balance at 31 March 2007	95,767	(2,193)	37,841	131,415
2Q 2007				
Balance at 1 April 2007	95,767	(2,193)	37,841	131,415
Cash flow hedges	-	910	-	910
Tax on fair value gain	-	(91)	-	(91)
Net losses recognised directly in equity	-	819	-	819
Net profit for the period	-	-	2,893	2,893
Total recognised gains/(losses)	-	819	2,893	3,712
Dividend relating to 2006	-	-	(5,603)	(5,603)
Balance at 30 June 2007	95,767	(1,374)	35,131	129,524

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For half year ended 30 June 2007, there was no change in the issued and paid up share capital of the Company (2006: S$53,222,700).

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors' report (including qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company and the Group have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There are no changes in accounting policies.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		2Q		**Half Year**	
		2007	2006	**2007**	2006
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Before exceptional items	**1.24**	1.22	**2.55**	2.51
	- After exceptional items	**1.24**	1.22	**2.55**	2.80
(ii)	On a fully diluted basis - (US cents)				
	- Before exceptional items	**1.24**	1.22	**2.55**	2.51
	- After exceptional items	**1.24**	1.22	**2.55**	2.80

Notes
1. Basic earnings per share for 2Q 2007 is computed based on 532,277,000 shares (2Q 2006: 532,277,000 shares).
2. There were no dilutive potential ordinary shares as at 30 June 2006 and 30 June 2007 respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the**

(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-07	31-Dec-06	**30-Jun-07**	31-Dec-06
Net asset value per ordinary share based on issued share capital - (US cents)	**36.2**	32.3	**24.3**	24.9

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. It must include a discussion of the following: -**

   a. **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

   b. **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Founded in 1984, Petra Foods Limited (the “Group”) is one of the world’s major manufacturers and suppliers of cocoa ingredients. 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 is involved in the manufacture and sale of a wide range of specialty cocoa butters, cocoa liquors and cocoa powders under the “Delfi” brand to over 30 countries.

The division protects itself against movement in cocoa bean prices through the purchase of futures contracts and/or by purchasing cocoa beans for delivery at a future date. This is because the prices set for sales of cocoa ingredients products generally reflect the prices of cocoa beans at the time the sales are contracted, the prices of cocoa beans have a direct impact on revenue.

Gross operating margin expressed as a percentage of sales may vary depending on cocoa bean prices although gross profit or operating profit may remain the same. As compared to a profitability margin expressed as a percentage of revenue, EBITDA per metric ton is a more appropriate measure of the performance of the Division.

Branded Consumer Division manufactures, markets and distributes chocolate and sugar confectionery products in over 20 countries, with a portfolio of 10 master brands and over 20 key-sub brands and with more than 400 stock keeping units. The division also distributes a wide range of food and other consumer products under a portfolio of well-known third party brands in Indonesia, Singapore, Malaysia and the Philippines.

PETRA FOODS LIMITED
(Registration no. 198403096C)

Key Figures for the Group (unaudited)

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
	US$'000	US$'000		**US$'000**	US$'000	
Income Statement						
Revenue						
Cocoa Ingredients	**136,689**	76,052	79.7%	**244,679**	151,679	61.3%
Branded Consumer	**61,683**	44,925	37.3%	**115,596**	83,964	37.7%
	198,372	120,977	64.0%	**360,275**	235,643	52.9%
EBITDA						
Cocoa Ingredients	**7,429**	7,294	1.9%	**14,460**	14,258	1.4%
Branded Consumer	**7,097**	6,092	16.5%	**14,716**	12,693	15.9%
	14,526	13,386	8.5%	**29,176**	26,951	8.3%
Finance Costs	**(2,488)**	(2,292)	8.6%	**(4,648)**	(4,112)	13.0%
Profit before tax and exceptional items	**8,406**	8,331	0.9%	**17,605**	17,418	1.1%
Profit after tax (before exceptional items)	**6,520**	6,470	0.8%	**13,463**	13,368	0.7%

Key Indicators by Business Segments

	2Q ended 30 June			Half year ended 30 June		
	2007	2006	Change	**2007**	2006	Change
Branded Consumer						
Gross Profit Margin	**30.0%**	32.4%	(2.4%) pt	**30.5%**	32.3%	(1.8%) pt
Cocoa Ingredients						
Sales Volume (MT)	**49,642**	31,245	58.9%	**89,956**	62,980	42.8%
Sales volume (MT) - excluding Europe	**33,200**	31,245	6.3%	**67,911**	62,980	7.8%
Capacity utilization				90%	92%	

	6-month moving average ended 30 June		
	2007	2006	Change
Cocoa Ingredients			
EBITDA per metric ton of sales volume (US$)	**161**	226	(28.8%)
EBITDA per metric ton - excluding Europe (US$)	**191**	226	(15.5%)

Balance Sheet as at	**30-Jun-07**	31-Dec-06	Change
	US$'000	US$'000	US$'000
Total Assets	532,322	368,690	**163,632**
Current assets	327,254	206,007	**121,247**
Non current assets	205,068	162,683	**42,385**
Total Borrowings	210,998	124,938	**86,060**
Shareholders' Equity	179,988	171,953	**8,035**
Net Working Capital	92,390	54,588	**37,802**

Review of Group Financial Performance

2Q 2007 versus 2Q 2006

The Group's net profit after tax increased by 0.8% year on year (Y-o-Y) to US$6.5 million and EBITDA growth was 8.5% with Branded Consumer Division's performance outpacing that of the Cocoa Ingredients'. This reinforces the strength of the Group's business model in having two divisions which complement each other.

Branded Consumer Division

The Division generated revenue growth of 37.3% Y-o-Y to US$61.7 million, of which 30.6% of the growth was contributed by its core market in Indonesia with a further 6.7% coming from the regional markets. The Branded Consumer Division achieved the strong revenue growth through leveraging on its key strengths of:

❖ **Dominant Brands and Superior Product Innovation & Development Capabilities**

As a major chocolate confectionery company in the region, the Division is continually enhancing its dominant brands and driving the demand for our brands through product innovations and marketing initiatives. Product innovation initiatives include the launch of new products, new flavours, product variants and enhanced product packaging.

In 4Q last year, the "SilverQueen Chunky Bar" and "Top Black in White" products were launched while year to date, a **total of 10** new products and product variants were launched. Up to 30 June 2007, examples of new products launched included "Silver Queen Crispy", "Delfi Chew-Eez Choco", "Delfi Kopi Joy" and "Delfi Nut Crunch".

The significant innovation and successful new products launched and marketing initiatives further strengthened the Division's dominant brands. Furthermore, the new candy products launched, for example "Chew-Eez Choco", "Kopi Joy" and "Nut Crunch", have broadened the Division's line up in the confectionery segment.

❖ **Superior Distribution Infrastructure**

In line with the strategy of maximizing returns from its extensive distribution network (built over the last 40 years in Indonesia), higher volumes of the Division's key brands and new 3rd Party Brands products were driven through the distribution pipeline. The Division will continue to strengthen its superior distribution power through a more dedicated brand management team and by enhancing its distribution capabilities in both the Modern and Traditional sales channels.

In 2Q 2007, the Division's core market achieved a Y-o-Y revenue growth of 40% on the back of:-

1. Its ability to continue driving the demand and creating new markets for our extended portfolio of products. Sales of key brands like "Top" and "SilverQueen" rose 47% and 38% Y-o-Y respectively; and

2. Higher contributions from 3rd Party agency lines distributed.

The distribution of 3rd Party Brands is in line with the Division's strategy of maximizing returns from its regional distribution infrastructure. Revenue from the distribution of 3rd Party Brands for the Division increased 48% Y-o-Y with the growth generated from higher sales of existing lines coupled with incremental contributions from new agency lines secured. For 2Q 2007, distribution of 3rd Party agency lines formed 35% of its 2Q 2007 revenue, up from 32% a year ago. However, the profitability from the distribution of 3rd Party Brands is lower than Own Brands and therefore whilst this business provides incremental profit, it reduces the average gross profit margin of the Division.

On the back of its successful regional expansion strategy, the regional markets formed 22% of the Division's 2Q 2007 revenue. The Division's operations in the Philippines achieved Y-o-Y revenue growth of 19.4% which reflected the growth initiatives implemented. These initiatives included product rightsizing and new product launches; and a restructuring of the sales team.

The Branded Consumer Division achieved 2Q 2007 EBITDA of US$7.1 million, up 16.5% Y-o-Y. The slower pace of growth compared to the revenue growth was due to:

1. Overall gross profit margin in 2Q 2007 was lower Y-o-Y by 2.4 percentage points to 30.0% due mainly to the new 3rd Party Brands (at lower gross margin) distributed and lower margins of the developing Philippines operations; and

2. Higher Advertising & Promotion (A&P) spending to excite consumers with the new products launched and ahead of the second half festive period.

In the current environment of higher raw materials cost, the Division's 2Q 2007 financial performance has not been materially impacted due to its strategy of buying forward its major raw material requirements. Essentially, this strategy serves to assure that the Division's raw materials requirements are secured and to lock in the purchase price of these raw materials. The significance is that the Division's 2007 input costs had, therefore, been entered into at price levels lower than the current prevailing prices.

However with the trend for input costs likely to remain high, the Division has already begun implementing a proactive programme to counter this trend. This is a comprehensive programme which will include not only price increases (effective June 2007) but a series of product right sizing and cost containment initiatives.

Cocoa Ingredients Division

The Division's 2Q 2007 EBITDA of US$7.4 million was 1.9% higher Y-o-Y in spite of a softer EBITDA yield, supported by Y-o-Y jump in volume of 58.9% (49,642 mt vs 31,245 mt previously). Excluding the recently acquired European operations from 1 March 2007, the Division achieved Y-o-Y sales volume growth of 6.3%. The key driver of the volume growth is the continued success in executing its growth strategy which are:-
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❖ **To broaden and deepen the relationships with core customers**

The key focus here is to remain the Partner of Choice to all its customers through continually delivering products synonymous with uncompromising quality and consistency to serve their growing requirements across the different geographic boundaries. Furthermore at their request, to jointly develop cocoa ingredients products to widen their portfolio of finished products.

❖ **To broaden market position globally**

The geographical spread of the Cocoa Ingredients operations was significantly enhanced in 1Q 2007 with the acquisition of the European Cocoa Ingredients operations (existing commercial operations, existing customer base and cocoa ingredients processing capacity). This acquisition presents the following long term growth opportunities: -

1. Allows the Cocoa Ingredients Division to build a market position in Europe, which is the largest consuming market for cocoa ingredients; and

2. To further capture the outsourcing trend, especially in the supply of premium cocoa ingredients to the international food and beverage companies.

We have significantly increased the Group's processing capacity to 310,000 mt (+29% over 2006 year-end total) with the strategic investment in Europe.

A maiden contribution from the European operations was recorded, albeit small. For the Division's 2Q 2007 revenue of US$136.7 million, the European operations contributed 37.4% of the total.

For full year 2007, revenue contribution from the European business is estimated to be at least US$200 million. In accordance with the strategy adopted when the European business was acquired, the plan is to upgrade the capabilities of the German facility to produce higher value-added, customized cocoa ingredients products, rather than the generic products produced today. This will enhance the EBITDA/mt yield. At the same time it is intended that the capacity of the German facility is also expanded so as to benefit from greater economies of scale. This plan is now being executed and so whilst at present the business operates at under the breakeven level, breakeven is expected in 2008 when the process enhancement and capacity upgrade is completed. This business is, therefore, targeted to be profitable over the longer term.

❖ **Maximise Capacity Utilisation**

Supporting this volume growth was the capacity expansion program implemented over the last two years. The key to note is that average capacity utilization remained high at 90% despite the capacity increase.

For 2Q 2007, an overall EBITDA yield of US$161 per mt was recorded, factoring in the European operations' contribution. As the European operation's capabilities are currently limited to producing the more generic grade of cocoa ingredients, the yield derived from such generic ingredients have weighed down the Division's overall EBITDA yield.

It is, however, part of the Division's strategy to execute a technical program to upgrade the Hamburg facility's capabilities to produce premium cocoa ingredients. This is a key opportunity, to use its skills, knowledge and know-how to raise the capabilities of the Hamburg facility to produce customised cocoa products in line with the quality standards demanded by the international food and beverage companies.

Excluding the contributions from the European operations, the Division achieved an EBITDA yield of US$191/mt - lower than the US$226/mt achieved in 2Q 2006 but represents a sequential improvement of 1.1% over the US$189/mt in 1Q 2007.

The weaker Y-o-Y EBITDA yield from the non-European operations can be attributed to: -

1. The phasing in of the new processing capacity by the Division which resulted in a change in product mix composition. To recap, the Division had increased processing capacity by 21%;

2. New market development initiatives; and

3. A softer price environment in the lower to mid priced segments of the industry.

Operating Expenses

From the Group's perspective, the overall strategy of growing both the Cocoa Ingredients and Branded Consumer businesses is the key reason for the US$3.4 million Y-o-Y increase in Selling and Distribution expenses and the US$0.9 million increase in Administrative Expenses.

For the Cocoa Ingredients, the acquisition of the European subsidiaries increased the selling and distribution and administration expenses by US$0.8 million and US$0.7 million respectively.

Higher staff cost was incurred in the Branded Consumer division as it further strengthened its sales and distribution infrastructure as well as higher advertising and promotion expenses for new products launches and in the run up to the 2H 2007 festive period.

Finance Cost

Interest cost in 2Q 2007 increased 8.6% to US$2.5 million due to additional Group borrowings to fund the European acquisition and higher working capital requirement for the Cocoa Ingredients business. This was, however, reduced by a gain of US$0.6 million from interest caps and corridors and interest rate swap. Furthermore, the Group's S$60 million Medium Term Note (MTN) issued had been executed at a fixed long term rate.

Interest cover for the Group remained healthy at 4.8 times.

Balance Sheet and Financial Position

Total shareholders' equity increased to US$180 million. Total assets grew by US$163.6 million of which, US$117 million can be attributed to the Group's acquisition of European cocoa ingredient business, US$10.6 million from capital expenditure and the remainder from higher working capital.

In line with the businesses' growth and expansion, total borrowings was up by US$86.1 million from US$124.9 million at 31 December 2006 to US$211.0 million as at 30 June 2007. This came from:

1. issuance of a 5-year S$60 million (US$39.1 million) Medium Term Note (MTN) in January 2007 to partially fund acquisition of European cocoa ingredient operations and repayment of working capital facilities;

2. term loan and trade finance amounting to US$48 million for the capital expenditure and working capital requirement of the European operations.

The issuance of MTN and the use of medium term bank loan is to strengthen the Group's capital structure and better match the debt maturity profile to suit the Group's funding and investment needs. Please refer to Para 1(b) (i) Note 3.

The Group's net debt to equity ratio increased from 0.67 times as of 31 December 2006 to 1.06 times as of 30 June 2007. Adjusted net debt to equity was up from 0.5 times to 0.72 times for the period under review.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for 2Q and half year 2007 are in line with the commentary made in paragraph 10 of the Group's Full Year Unaudited Financial Statement and Dividend Announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With its proven business model, Petra Foods' operation is fundamentally strong. It will continue to grow by building on its key strengths and focusing on the achievement of the Group's strategic objectives which include the strengthening of its core competencies; the extension of its regional and global reach; and the maximization of asset yields.

For the **Branded Consumer Division**, the strong growth momentum is expected to continue. The strategic focus for 2007 is to continue to drive growth and profitability in all its key markets which are the South East Asian chocolate confectionery markets, the world's fastest growing region for chocolate confectionery sales.

The intent is to further tap the consumer dollar through new product offerings and brand building initiatives. Furthermore, the strategy is to continue driving higher volumes of Own Brands and 3rd Party Brands through our regional distribution pipeline to maximize returns.

For the **Cocoa Ingredients Division**, volume uptake will continue to grow driven by increasing demand from its portfolio of customers in the international food and beverage industry and the Group's new market development initiatives. It will continue to expand geographical reach for its cocoa ingredients products.

As a result of the softer price environment, full year EBITDA per mt of sales volume is likely to be lower than prior year. The EBITDA yield in 2H 2007 is likely to be at a similar level as that achieved in 1H 2007. With the division's focus on the refining of customized cocoa ingredients, the division's EBITDA per mt yield, although affected by the industry's generally softer prices, will not be as adversely affected.

This headwind affecting pricing is expected to be temporary as there are market indications of pricing improvements. More significantly, the longer term industry fundamentals are intact with growth driven by the organic growth of the chocolate confectionery industry, the outsourcing trend and from the industry consolidation.

Petra Foods has built a resilient business model with two complementary earnings stream which together should generate continued growth. Barring unforeseen circumstance, the Group expects modest growth in its net profit (excluding exceptional items) in FY2007.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.53 cents per ordinary share (one-tier tax exempt)
Dividend Rate (in %)	15.30%
Par value of shares	S$0.10
Tax Rate	N.A.

The Directors are pleased to declare an interim dividend of 1.02 US cents or 1.53 Singapore cents per share based on 532,277,000 ordinary shares issued, which will be payable to shareholders on 18 September 2007.

Together with the final dividend for 2006 of 1.03 US cents or 1.60 Singapore cents per share paid on 18 May 2007, the total cash distributions received by shareholders this year will amount to 2.05 US cents or 3.13 Singapore cents per share in 2007.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.59 cents per ordinary share (one-tier tax exempt)
Dividend Rate (in %)	15.90%
Par value of shares	S$0.10
Tax Rate	N.A.

c. Date payable

The dividend is payable on 18 September 2007.

d. Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 31 August 2007 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906 up to 5.00 pm on 30 August 2007 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 30 August 2007 will be entitled to the interim dividend.

e. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

12. Segment Information

Primary reporting format - business segments

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Half year ended 30 June 2007			
Sales:			
- External sales	244,679	115,596	360,275
- Inter-segment sales	7,857	-	7,857
	252,536	115,596	368,132
Elimination			(7,857)
			360,275
Segment result	10,099	12,270	22,369
Finance costs			(4,648)
Share of profit of associated companies			(116)
Profit before tax			17,605
Income tax expense			(4,142)
Minority interest			116
Net profit			13,579
Other segment items			
Segment assets	384,517	144,484	529,001
Associated companies			2,937
Unallocated assets			384
Consolidated total assets			532,322
Segment liabilities	259,746	70,759	330,505
Unallocated liabilities			9,274
Consolidated total liabilities			339,779
Capital expenditure	6,051	4,562	10,613
Depreciation	(4,386)	(2,589)	(6,975)
Amortisation	(36)	(32)	(68)
EBITDA	**14,460**	**14,716**	**29,176**

Segment Information (continued)

Primary reporting format - business segments (continued)

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Half year ended 30 June 2006			
Sales:			
- External sales	151,679	83,964	235,643
- Inter-segment sales	5,255	-	5,255
	156,934	83,964	240,898
Elimination			(5,255)
			235,643
Segment result	11,025	10,625	21,650
Finance costs			(4,112)
Share of profit of associated companies			(120)
Profit before tax			17,418
Income tax expense			(4,050)
Minority interest			-
Exceptional items			1,516
Net profit			14,884
Other segment items			
Segment assets	228,467	111,797	340,264
Associated companies			2,908
Unallocated assets			452
Consolidated total assets			343,624
Segment liabilities	121,035	51,573	172,608
Unallocated liabilities			6,588
Consolidated total liabilities			179,196
Capital expenditure	9,387	9,913	19,300
Depreciation	3,246	2,219	5,465
Amortisation	34	-	34
EBITDA	**14,258**	**12,693**	**26,951**

Secondary reporting format - geographical segments

For half year ended 30 June

	Revenue		Total assets		Capital expenditure	
	2007	2006	**2007**	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Indonesia	**97,287**	73,240	**138,985**	116,065	**5,499**	9,697
Singapore	**21,225**	16,648	**227,086**	190,329	**1**	662
Philippines	**14,868**	11,995	**26,678**	27,744	**226**	569
Thailand	**3,787**	2,939	**20,226**	16,986	**371**	245
Malaysia	**11,346**	9,336	**75,821**	81,605	**571**	2,519
Japan	**26,171**	18,033	**-**	-	**-**	-
Middle East	**7,852**	8,311	**-**	-	**-**	-
Other countries in Asia	**9,965**	9,231	**-**	-	**-**	-
Australia	**20,715**	16,976	**-**	-	**-**	-
Europe	**111,054**	39,807	**120,551**	2,151	**2,010**	-
North America	**13,393**	15,740	**633**	630	**-**	-
South America	**17,110**	**9,374**	**62,458**	29,217	**1,935**	5,608
Africa	**5,502**	4,013	**-**	-	**-**	-
	360,275	235,643	**672,438**	464,727	**10,613**	19,300
Elimination	-	-	**(140,116)**	(121,103)	-	-
	360,275	235,643	**532,322**	343,624	**10,613**	19,300

13. Interested Person Transactions

	[1] Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2Q 2007	**Half Year 2007**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	842	1,780
- Purchase of products	2,167	4,529
	3,009	6,309
PT Tri Keeson Utama		
- Sales of goods	747	1,025
PT Fajar Mataram Sedayu		
- Sales of goods	427	792
- Purchase of goods	51	132
	478	924
PT Sederhana Djaja		
- Lease of properties	22	44
	4,256	**8,302**

Note:
[1] Aggregate value of all interested person transactions include transactions less than S$100,000.

BY ORDER OF THE BOARD
Lian Kim Seng/Evelyn Chuang
Secretaries