

## PRESS RELEASE

The initial public offering of the shares of Petra Foods Limited was sponsored by ABN AMRO Rothschild.

### **Petra Foods net profit surges 69.7% to record US\$13.7 million for the first nine months of 2004**

- ***Strong revenue growth of 23.1% to US\$284.1 million for the 9 month period ended 30 September 2004***
- ***9 months YTD Net Profit of US\$13.7 million already surpassed FY2003's Net Profit***

**SINGAPORE – 29 NOVEMBER 2004** Main board listed Petra Foods Limited (“Petra Foods”), one of the world’s major cocoa ingredients manufacturers and a major player in the branded consumer products, today announced its impressive set of financial results, since its recent listing.

#### **Financial Results Highlights**

	3 months to 30 September			9 months to 30 September		
	2004	2003	% Change	2004	2003	% change
<b>Turnover (US\$'000)</b>	100,409	83,300	20.5	284,133	230,781	23.1
<b>EBITDA (US\$'000)</b>	10,133	7,205	40.6	29,779	22,345	33.3
<b>Net profit (US\$'000)</b>	4,676	1,795	160.5	13,657	8,050	69.7
<b>Net Cash inflow from operating activities (US\$'000)</b>	-	-	-	16.2	9.3	74.2
<b>Earnings per share (Fully-diluted) (US cents)</b>	1.2	0.5	140	3.4	2.1	61.9
<b>Annualised ROE (%)</b>	-	-	-	25.6%	18.4%	39.1
<b>Adjusted Net Debt/Equity (*) (**)</b>	-	-	-	0.89	0.84	n.m.

(\*) Adjusted Net Debt/Equity = (Net Debt – Trade Finance)/Equity.

(\*\*) Does not include proceeds from the IPO.

For the nine-month period ended 30 September 2004, Group turnover rose by 23.1 % to US\$284.1 million while net profit surged by 69.7% to US\$13.7 million, compared to the same period last year. Compared to 3Q2003, 3Q2004 revenues rose 20.5% to US\$100.4 million while 3Q2004 net profit increased by 160.5% to US\$4.7 million. The increase was primarily due to stronger revenue and profit contribution from its two business divisions (Cocoa Ingredients Division and Branded Consumer Division), lower interest cost and management’s focus on cost efficiency.

Mr John Chuang, Chief Executive Officer of Petra Foods, said, "We are pleased with our maiden set of quarterly results since our listing on 5 November 2004. Our net profit for the nine months ended 30 September 2004, has already surpassed the net profit for the full year in 2003. These results provide evidence of our ability to sustain our strong growth momentum and we intend to continue this momentum going forward."

"Both our business divisions continue to implement their strategies relentlessly, yielding profitable and sustainable growth. Our annualised ROE was 25.6% for the first nine months ended 30 September 2004. Our adjusted debt to equity ratio increased marginally from 0.84 times to 0.89 times despite additional long term financing arising from new investments in Latin America and Malaysia. We also have a healthy set of operating cash flow. For the first nine months ended 30 September 2004, net operating cashflow increased by 74.2% or US\$16.2 million, from US\$9.3 million in the same period in 2003." Mr Chuang added.

#### **Cocoa Ingredients Division - Increased manufacturing capabilities to meet stronger sales**

For the three months ended 30 September 2004, turnover arising from Petra Foods' Cocoa Ingredients Division grew 16.5% to US\$69.1 million, primarily due to the Group's demand-led expansion of its manufacturing capacities which resulted in an increased penetration in new and developing markets.

With stronger manufacturing capabilities, Petra Foods is able to consistently meet the stringent needs of its customers, in terms of product excellence, continuity and quality. During the quarter under review, the Group increased its production volume to meet the higher sales demand through its new cocoa processing facility in Malaysia as well as its Mexico factory and Brazil factory acquired in July 2003 and October 2003 respectively.

#### **Branded Consumer Division - Leveraging on market leadership position in Indonesia to spur higher growth**

Petra Foods has continued to leverage on the leadership position of its brands within the Indonesian market to increase both sales and market share. It has continued to extend its distribution capabilities in Indonesia and invest in marketing and advertising promotional activities to build on the strengths of its portfolio of well established brands. During the quarter under review, the Group has increased its market penetration in Indonesia by capitalizing on increasing consumer spending as well as leveraging on its expanded network of distributors and wider coverage of trade outlets. As a result, turnover arising from its Branded Consumer Division increased 31% from US\$24 million to US\$31.3 million.

Mr Chuang commented: "The consistent growth of our Branded Consumer Division reflects the success of our various product and packaging initiatives across our brand portfolio, together with our various advertising and promotion activities held during the quarter under review. Our Branded Consumer products generated an unusually strong gross profit margin of 34.7%, which is a 4.7% increase over the

same quarter 2003. This was due primarily to lower cost of sales resulting from benefits of increasing economies of scale and favourable product mix.”

### **Bean supply risk well-mitigated despite Ivory Coast Unrest**

Recent unrest in Ivory Coast has generated worldwide concerns on the disruption and availability of bean supply in the market. However, Petra Foods’ supply and price risks are well-mitigated, a direct result of the company’s stringent philosophy and business practices in risk management.

Mr Chuang said: “As we use beans from different countries of origin, we are not totally dependent on a few countries. In addition, we procure beans from reputable and reliable international bean traders, who source beans from producer countries across the world. We possess strong technological and process know how that allow us to blend beans from different origins to produce any specific type of cocoa powder.”

“We do not take speculative positions. We hedged our cocoa ingredients contracts using both physical and futures contracts; price increases in beans are normally passed through to our customers. For our Branded Consumer business, we also regularly enter into purchase contracts for key raw materials such as cocoa ingredients to lock-in price and volume requirements. These measures have helped us to stabilise our raw material costs and supply.” Mr Chuang added.

### **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 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 eight master brands and 19 key sub brands and we have 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 third party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods has six cocoa processing facilities (located in Indonesia, Malaysia, the Philippines, Thailand, Brazil and Mexico), two chocolate confectionery production facilities (located in Indonesia and Malaysia) and a total staff strength of over 3,500.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003.

For more information about Petra Foods, please visit [www.petrafoods.com](http://www.petrafoods.com).

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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.

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