(Registration no. 198403096C)

Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the 4th Quarter and Full Year Ended 31 December 2008

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		
		4Q ended 31 December			Year ended 31 December		
		2008	2007	%	**2008**	2007	%
	Notes	**US$'000**	US$'000		**US$'000**	US$'000	
Sales	1	**293,880**	236,846	24.1	**1,127,282**	836,611	34.7
Cost of Sales	2[a]	**(266,859)**	(209,900)	27.1	**(1,008,122)**	(713,585)	41.3
Gross Profit		**27,021**	26,946	0.3	**119,160**	123,026	(3.1)
Other operating income		**2,184**	2,568	(15.0)	**4,287**	4,100	4.6
Selling and distribution costs		**(10,764)**	(12,287)	(12.4)	**(60,193)**	(55,329)	8.8
Administrative expenses		**(7,450)**	(6,900)	8.0	**(29,252)**	(24,796)	18.0
Finance costs	3	**(6,124)**	(3,639)	68.3	**(17,954)**	(12,452)	44.2
Other operating expenses	4	**(5,138)**	(2,449)	109.8	**(4,443)**	(3,344)	32.9
		(271)	4,239	(106.4)	**11,605**	31,205	(62.8)
Share of results of associates		**(340)**	(36)	844.4	**(716)**	(145)	393.8
Profit before tax and exceptional items		**(611)**	4,203	(114.5)	**10,889**	31,060	(64.9)
Exceptional items		**-**	29	NM	**-**	652	NM
Profit before tax	5	**(611)**	4,232	(114.4)	**10,889**	31,712	(65.7)
Income tax expense	6	**2,562**	(501)	(611.4)	**(234)**	(7,014)	(96.7)
Net Profit		**1,951**	3,731	(47.7)	**10,655**	24,698	(56.9)
Attributable to:							
Equity holders of the company		**2,800**	4,538	(38.3)	**14,060**	26,301	(46.5)
Minority Interest		**(849)**	(807)	5.2	**(3,405)**	(1,603)	112.4
		1,951	3,731	(47.7)	**10,655**	24,698	(56.9)
EBITDA	7[b]	**11,356**	12,360	(8.1)	**48,415**	59,307	(18.4)
Earnings per share (US cents) - Basic and Diluted	8[c]	**0.53**	0.85	(37.6)	**2.64**	4.94	(46.5)
Return on equity					**7.6%**	14.6%	(7.0)pt

Adjusted EBITDA	7	**16,773**	12,360	35.7	**59,034**	59,307	(0.5)
Adjusted Net profit after minority interest	8	**6,973**	4,509	54.6	**22,915**	25,649	(10.7)
Adjusted Earnings per share (US cents)	8	**1.31**	0.85	54.1	**4.31**	4.82	(10.6)
Adjusted Return on equity	8				**12.1%**	14.6%	(2.5)pt

a Includes the negative impact of hedge re-designation of US$0.394 million and US$5.596 million, accounted for in Cost of Sales, in 4Q and full year of 2008 respectively.

b EBITDA represents net profit before exceptional items, fair value loss on interest rate derivatives, net interest expense, income tax expense, depreciation and amortization expense.

c As there are no potentially dilutive ordinary shares, diluted Earning per Share is the same as basic Earning per Share.

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Explanatory notes on income statement

Note 1 - Breakdown of Sales by Division

	4Q ended 31 December			Year ended 31 December		
	2008	2007	Change	**2008**	2007	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cocoa Ingredients Division	**242,290**	178,711	35.6	**874,509**	596,841	46.5
Branded Consumer Division	**51,590**	58,135	(11.3)	**252,773**	239,770	5.4
	293,880	236,846	24.1	**1,127,282**	836,611	34.7

Note 2 - Cost of Sales

	4Q ended 31 December			Year ended 31 December		
	2008	2007	Change	**2008**	2007	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cost of goods sold	**262,802**	207,783	26.5	**993,624**	704,457	41.0
Cost of services	**3,000**	4,429	(32.3)	**14,200**	14,306	(0.7)
	265,802	212,212	25.3	**1,007,824**	718,763	40.2
Transfer from cash flow hedge reserve - derivatives	**2,674**	(886)	NM	**(4,404)**	(4,486)	(1.8)
Hedge re-designation	**394**	(2,335)	NM	**5,596**	(5,761)	NM
Other adjustments to cost of sales:						
- Fair value (gain)/loss on cocoa bean derivatives	**(7,161)**	1,700	NM	**(6,119)**	8,353	NM
- Fair value loss/(gain) on foreign exchange derivatives	**1,031**	479	115.2	**2,121**	(773)	NM
Net foreign exchange loss/(gain)	**4,119**	(1,270)	NM	**3,104**	(2,511)	NM
Cost of Sales	**266,859**	209,900	27.1	**1,008,122**	713,585	41.3

Note 3 - Finance Costs (Net)

	4Q ended 31 December			Year ended 31 December		
	2008	2007	Change	**2008**	2007	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Interest Expense	**5,663**	3,656	54.9	**16,854**	13,195	27.7
Transfer from cash flow hedge	**440**	(30)	NM	**1,061**	(770)	NM
	6,103	3,626	68.3	**17,915**	12,425	44.2
Net foreign exchange (gain) / loss	**21**	13	61.5	**39**	27	44.4
Total finance costs	**6,124**	3,639	68.3	**17,954**	12,452	44.2

Note 4 - Other Operating Expense

Included in 4Q and FY2008's other operating expenses were:

(i) Fair value loss on interest rate derivatives of US$1.8 million as the London Interbank Offered Rate (LIBOR) dropped to its historical low during 4Q 2008. Under an interest rate swap, the Group receives interest at 6-month LIBOR and pays a fixed rate interest, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rate; and

(ii) Foreign exchange loss of US$1.9 million arising mainly from the sharp depreciation of the Brazilian Reais against US dollar during 4Q 2008.

Note 5 - Profit before Income Tax

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

	4Q ended 31 December			Full Year ended 31 December		
	2008	2007	Change	**2008**	2007	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment	**(4,370)**	(4,118)	6.1	**(17,557)**	(15,087)	16.4
Amortisation of intangible assets	**(113)**	(123)	(8.1)	**(495)**	(417)	18.7
Net foreign exchange (loss)/ gain	**(7,082)**	1,364	NM	**(5,122)**	2,718	NM
(Under)/Over provision of tax in prior years	**(161)**	(74)	(117.6)	**273**	(237)	(15.2)
(Loss)/Gain on disposal of property, plant and equipment	**(2)**	(27)	(92.6)	**132**	72	83.3
(Impairment loss)/Write-back on trade receivables	**(1)**	13	NM	**5**	(6)	NM
Inventories written off	**(721)**	(275)	162.2	**(1,630)**	(1,209)	34.8
Allowance made for inventory obsolescence	**(113)**	(678)	(83.3)	**(494)**	(998)	(50.5)

Note 6 - Income Tax Expense

In 4Q 2008, the Group recognized a tax credit of US$2.4 million from its Brazil subsidiary arising from exchange loss on depreciation of Reais against USD.

Note 7 - EBITDA

	Note	4Q ended 31 December 2008 US$'000	4Q ended 31 December 2007 US$'000	4Q Change %	Year ended 31 December 2008 US$'000	Year ended 31 December 2007 US$'000	Year Change %
Profit Before Tax		**(611)**	4,232	(114.4)	**10,889**	31,712	(65.7)
Interest expense	3	**6,103**	3,625	68.4	**17,915**	12,425	44.2
Fair value loss on interest rate derivatives	4(i)	**1,484**	354	319.2	**1,764**	534	230.3
Interest income		**(103)**	(63)	63.5	**(205)**	(216)	(5.1)
Exceptional items		**-**	(29)	NM	**-**	(652)	NM
Depreciation of property, plant and equipment	5	**4,370**	4,118	6.1	**17,557**	15,087	16.4
Amortisation of intangible assets	5	**113**	123	(8.1)	**495**	417	18.7
EBITDA		**11,356**	12,360	**(8.1)**	**48,415**	59,307	**(18.4)**
Adjusted for:							
- Hedge re-designation	3	**394**	-	NM	**5,596**	-	NM
- FX and Fair Value losses		**5,023**	-	NM	**5,023**	-	NM
		5,417	-	NM	**10,619**	-	NM
Adjusted EBITDA		**16,773**	12,360	35.7	**59,034**	59,307	(0.5)

The FX losses above related to the following:
1. US$1.2 million from payment of US$ denominated Group management fees by the Indonesian Branded Consumer operation.
2. US$1.9 million resulting from short term exposure to receivables in Reais
3. US$1.9 million arising from marked-to-market losses of currency futures to match specific Sterling Pound bean purchases which were accounted for under Cost of Sales.

Note 8 - Earnings per Share and Return on Equity

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	4Q ended 31 December 2008 US$'000	4Q ended 31 December 2007 US$'000	4Q Change %	Year ended 31 December 2008 US$'000	Year ended 31 December 2007 US$'000	Year Change %
Net profit attributable to shareholders (PATMI)	**2,800**	4,538	(38.3)	**14,060**	26,301	(46.5)
Adjustments (net of tax):						
- Hedge re-designation	**354**	-	NM	**5,036**	-	NM
- FX and Fair Value losses	**3,819**	-	NM	**3,819**	-	NM
- Exceptional Item	**-**	(29)	NM	**-**	(652)	NM
	4,173	(29)	NM	**8,855**	(652)	NM
Adjusted PATMI	**6,973**	4,509	54.6	**22,915**	25,649	(10.7)
Weighted average number of ordinary shares	**532,277**	532,277		**532,277**	532,277	
Basic and diluted earnings per share (US cents)						
- Before adjustments	**0.53**	0.85	(37.6)	**2.64**	4.94	(46.5)
- After adjustments	**1.31**	0.85	54.1	**4.31**	4.82	(10.6)
Return on Equity						
- Before adjustments				**7.6%**	14.6%	(7.0) pt
- After adjustments				**12.1%**	14.6%	(2.5) pt

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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	
		31-Dec-08	31-Dec-07	**31-Dec-08**	31-Dec-07
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**16,391**	6,339	**5,847**	83
Derivative assets		**932**	5,102	**932**	15,713
Trade receivables		**90,039**	88,036	**161,643**	119,405
Inventories	1	**220,388**	187,673	**2,985**	3,220
Other current assets		**32,065**	24,780	**19,710**	9,859
		359,815	311,930	**191,117**	148,280
Non-current assets					
Investments in subsidiaries		**-**	-	**98,874**	83,579
Investments in associated companies		**1,773**	2,794	**3,000**	3,000
Receivables from subsidiaries		**-**	-	**17,490**	16,000
Loans to associated company		**2,348**	2,820	**-**	-
Property, plant and equipment	2	**238,551**	191,580	**1,521**	1,922
Intangibles assets		**22,156**	22,830	**1,784**	1,784
Deferred income tax assets		**5,991**	3,284	**-**	-
Other non-current assets		**501**	1,020	**-**	-
		271,320	224,328	**122,669**	106,285
Total Assets		**631,135**	536,258	**313,786**	254,565
LIABILITIES					
Current liabilities					
Trade payables		**53,356**	47,188	**14,461**	25,692
Other payables		**29,161**	30,613	**4,880**	4,729
Derivative liabilities		**10,545**	9,586	**6,676**	8,990
Current income tax liabilities		**2,719**	2,767	**1,476**	2,013
Borrowings	3	**165,053**	135,575	**73,465**	37,378
		260,834	225,729	**100,958**	78,802
Non-current liabilities					
Borrowings	3	**155,323**	89,745	**86,010**	41,766
Deferred income tax liabilities		**6,957**	9,565	**418**	846
Provisions for other liabilities and charges		**4,774**	4,771	**-**	-
		167,054	104,081	**86,428**	42,612
Total liabilities		**427,888**	329,810	**187,386**	121,414
NET ASSETS		**203,247**	206,448	**126,400**	133,151
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		**95,767**	95,767	**95,767**	95,767
Foreign currency translation reserve		**(13,089)**	(175)	**-**	-
Other reserves		**4,755**	108	**(1,891)**	(1,067)
Retained earnings		**96,129**	93,076	**32,524**	38,451
Shareholders' equity		**183,562**	188,776	**126,400**	133,151
Minority interests	4	**19,685**	17,672	**-**	-
Total equity		**203,247**	206,448	**126,400**	133,151

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Explanatory notes on Balance Sheet

Note 1 - Inventories

Higher cocoa bean prices and more third party agencies line resulted in higher inventories for both divisions as shown below:

	31 December 2008	31 December 2007
	US$'000	US$'000
Cocoa Ingredients	**187,195**	157,929
Branded Consumer	**33,193**	29,744
	220,388	187,673

Note 2 - Property, Plant and Equipment

Total capital expenditure for the year amounted to US$78.9 million for both divisions was as follows:

	31 December 2008	31 December 2007
	US$'000	US$'000
Cocoa Ingredients	**75,896**	15,796
Branded Consumer	**2,980**	12,148
	78,876	27,944

Note 3 - Borrowings

	Group		Company	
	31-Dec-08	31-Dec-07	**31-Dec-08**	31-Dec-07
	US$'000	US$'000	**US$'000**	US$'000
(a) Current				
Bank overdraft	**30,692**	38,114	**180**	27
Bank loans	**29,110**	22,736	**-**	-
Lease liabilities	**945**	1,123	**154**	131
Trade Finance and short term advances	**104,306**	73,602	**73,131**	37,220
	165,053	135,575	**73,465**	37,378
(b) Non Current				
Bank loans	**89,281**	47,060	**20,000**	-
MTN	**65,773**	41,473	**65,773**	41,473
Lease Liabilities	**269**	1,212	**237**	293
	155,323	89,745	**86,010**	41,766
Total Borrowings	**320,376**	225,320	**159,475**	79,144

During the year, the Group raised an additional US$90.1 million from the issuance of Medium Term Notes and term loans. In conjunction with the additional loans raised, the Group had entered into various interest rate swap (IRSs) and cross currency interest rate swap contracts to hedge the cash flow risk arising from these floating rate borrowings.

The proceeds were used to refinance part of the working capital and fund capital expenditure for the European cocoa ingredients operations. In line with the increase in inventories as disclosed in Note 1, trade finance was up by US$30.7 million.

Note 4 - Minority Interests

In August 2008, the Company and Unicom Holdings B.V (a subsidiary of Armajaro Holdings Limited - a minority shareholder of its European subsidiaries) invested a total of Euro 12 million into Petra Armajaro Holdings Pte Ltd.

This was part of the planned strategic initiative to upgrade the production capabilities and expand the production capacity of the European cocoa ingredient operations. The additional investment increased the shareholding of the Company from 64.3% to 68%. The change in shareholdings does not have material impact to the Group's financial statements.

Note 5 - Key Ratios

	Group	
	31-Dec-08	31-Dec-07
Current Ratio	1.38	1.38
Average Inventory Days	74	79
Average Receivable Days	29	35
Net Debt to Equity	1.50	1.06
Adjusted Net Debt to Equity (excluding trade finance & MTN)	0.66	0.50

* Note: The Adjusted Net Debt to Equity Ratio is adjusted for banking facilities (excluding Trade Finance & MTN) which are used to fund cocoa beans/raw materials inventory.

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

	Group		Company	
	31-Dec-08	31-Dec-07	**31-Dec-08**	31-Dec-07
Amount repayable in one year or less, or on demand				
- Secured	**44,296**	36,650	**154**	131
- Unsecured	**120,757**	98,925	**73,311**	37,247
	165,053	135,575	**73,465**	37,378
Amount repayable after one year				
- Secured	**54,057**	26,525	**237**	293
- Unsecured	**101,266**	63,220	**85,773**	41,473
	155,323	89,745	**86,010**	41,766

Details of collateral

Total bank borrowings of US$98.3 million obtained by 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.

	Period ended	
	31-Dec-08	31-Dec-07
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	**10,889**	31,712
Adjustments for:		
Depreciation & amortisation	**18,052**	15,504
Exceptional Item	**-**	(652)
Gain on disposals of property, plant and equipment	**(132)**	(72)
Interest income	**(205)**	(216)
Interest expense	**17,915**	12,959
Fair value of inventories	**10,163**	(3,874)
Fair value of derivatives	**12,391**	7,557
Net foreign exchange loss	**39**	27
Share of loss from associated companies	**716**	145
Operating cash flow before working capital changes	**69,828**	63,090
Change in operating assets and liabilities, net of effects from purchase of subsidiaries		
Inventories	**(42,878)**	(71,879)
Trade and other receivables	**(6,386)**	(33,404)
Trade and other payables	**4,719**	19,703
Trade finance	**30,704**	44,763
Cash generated from operations	**55,987**	22,273
Interest received	**205**	216
Interest paid	**(6,929)**	(2,525)
Income tax paid	**(7,477)**	(6,843)
Net cash provided by operating activities	**41,786**	13,121
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	**-**	(22,175)
Purchases of property, plant and equipment	**(78,876)**	(27,944)
Payments for patent & trademark	**(48)**	(36)
Loan to associates	**109**	(60)
Proceeds from disposals of property, plant and equipment	**336**	260
Net cash used in investing activities	**(78,479)**	(49,955)
Cash flows from financing activities		
Proceeds from issuance of shares by subsidiary company - net	**4,032**	2,511
Proceeds from borrowings	**65,495**	31,335
Proceeds from Medium Term Note	**24,582**	39,139
Repayments of borrowings	**(13,760)**	(25,753)
Repayment of lease liabilities – net	**(861)**	(1,266)
Interest paid	**(10,986)**	(10,434)
Dividend paid to equity holders of company	**(10,647)**	(11,032)
Net cash provided by financing activities	**57,855**	24,500
Net increase/(decrease) in cash and cash equivalents	**21,162**	(12,334)
Cash and cash equivalents at the beginning of the financial year	**(31,775)**	(18,485)
Net effect of exchange rate changes in consolidating subsidiaries	**(3,688)**	(956)
Cash and cash equivalents at the end of the financial year	**(14,301)**	(31,775)

For the purposes of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise of the following:

	Year ended	
	31-Dec-08	31-Dec-07
	US$'000	US$'000
Cash and bank balances	**16,391**	6,339
Less: Bank overdrafts	**(30,692)**	(38,114)
	(14,301)	(31,775)

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 full year ended 31 December 2008

	Attributable to equity holders of the Company							
	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	General reserve	Retained earnings	Total	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2008	95,767	(175)	(1,070)	1,178	93,076	188,776	17,672	206,448
Currency translation differences	-	(3,319)	-	-	-	(3,319)	(965)	(4,284)
Cash flow hedges								
- Fair value gains / (losses)	-	-	5,280	-	-	5,280	(42)	5,238
- Transfers	-	-	(6,749)	-	-	(6,749)	-	(6,749)
Tax on fair value gain	-	-	36	-	-	36	-	36
Net gains recognised directly in equity	-	(3,319)	(1,433)	-	-	(4,752)	(1,007)	(5,759)
Net profit for the period	-	-	-	-	11,260	11,260	(2,556)	8,704
Total recognised gains/(losses)	-	(3,319)	(1,433)	-	11,260	6,508	(3,563)	2,945
Proceeds from shares issued by a subsidiary to minority interest	-	-	-	-	-	-	4,032	4,032
Final dividend relating to 2007	-	-	-	-	(5,429)	(5,429)	-	(5,429)
Interim dividend relating to 2008	-	-	-	-	(5,218)	(5,218)	-	(5,218)
Balance at 30 September 2008	95,767	(3,494)	(2,503)	1,178	93,689	184,637	18,141	202,778
<u>4Q 2008</u>								
Balance at 1 October 2008	95,767	(3,494)	(2,503)	1,178	93,689	184,637	18,141	202,778
Currency translation differences	-	(9,595)	-	-	-	(9,595)	(50)	(9,645)
Cash flow hedges								
- Fair value gains / (losses)	-	-	5,307	-	-	5,307	2,443	7,750
- Transfers	-	-	3,036	-	-	3,036	-	3,036
Tax on fair value gain	-	-	(2,623)	-	-	(2,623)	-	(2,623)
Net gains recognised directly in equity	-	(9,595)	5,720	-	-	(3,875)	2,393	(1,482)
Net profit for the period	-	-	-	-	2,800	2,800	(849)	1,951
Total recognised gains/(losses)	-	(9,595)	5,720	-	2,800	(1,075)	1,544	469
Transfer from/(to) general reserve	-	-	-	360	(360)	-	-	-
Balance at 31 December 2008	95,767	(13,089)	3,217	1,538	96,129	183,562	19,685	203,247

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Consolidated Statement of Changes in Equity
For year ended 31 December 2007

	Attributable to equity holders of the Company							
	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	General reserve	Retained earnings	Total	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
Balance at 1 January 2007	95,767	(2,273)	(526)	946	78,039	171,953	-	171,953
Currency translation differences	-	1,521	-	-	-	1,521	-	1,521
Cash flow hedges	-	-	1,997	-	-	1,997	-	1,997
Tax on fair value gain	-	-	(176)	-	-	(176)	-	(176)
Net gains recognised directly in equity	-	1,521	1,821	-	-	3,342	-	3,342
Net profit for the period	-	-	-	-	21,763	21,763	(796)	20,967
Total recognised gains/(losses)	-	1,521	1,821	-	21,763	25,105	(796)	24,309
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	-	15,118	15,118
Final dividend relating to 2006					(5,603)	(5,603)		(5,603)
Interim dividend relating to 2007	-	-	-	-	(5,429)	(5,429)	-	(5,429)
Balance at 30 September 2007	95,767	(752)	1,295	946	88,770	186,026	14,322	200,348
4Q 2007								
Balance at 1 October 2007	95,767	(752)	1,295	946	88,770	186,026	14,322	200,348
Currency translation differences	-	577	-	-	-	577	1,627	2,204
Cash flow hedges	-	-	(2,575)	-	-	(2,575)	-	(2,575)
Tax on fair value gain	-	-	210	-	-	210	-	210
Net gains recognised directly in equity	-	577	(2,365)	-	-		1,627	(161)
Net profit for the period	-	-	-	-	4,538	4,538	(807)	3,731
Total recognised gains/(losses)	-	577	(2,365)	-	4,538		820	3,570
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	-	2,530*	2,530
Transfer to General Reserve	-	-	-	232	(232)	-	-	-
Balance at 31 December 2007	95,767	(175)	(1,070)	1,178	93,076	-	17,672	206,448

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

PETRA FOODS LIMITED

(Registration no. 198403096C)

Statement of Changes in Equity
For year ended 31 December 2008

The Company	Share capital US$'000	Cash flow hedge reserve US$'000	Retained earnings US$'000	Total shareholders' equity US$'000
Balance at 1 January 2008	95,767	(1,067)	38,451	133,151
Cash flow hedges				
- Fair value losses	-	631	-	631
- Transfers	-	(638)	-	(638)
Tax on fair value losses	-	36	-	36
Net losses recognised directly in equity	-	29	-	29
Net profit for the period	-	-	5,141	5,141
Total recognised gains	-	29	5,141	5,170
Final dividend relating to 2007	-	-	(5,429)	(5,429)
Interim dividend relating to 2008	-	-	(5,218)	(5,218)
Balance at 30 September 2008	95,767	(1,038)	32,945	127,674
4Q 2008				
Balance at 1 October 2008	95,767	(1,038)	32,945	127,674
Cash flow hedges				
- Fair value losses	-	(2,043)	-	(2,043)
- Transfers	-	1,093	-	1,093
Tax on fair value loss	-	97	-	97
Net losses recognised directly in equity	-	(853)	-	(853)
Net loss for the period	-	-	(421)	(421)
Total recognised losses	-	(853)	(421)	(1,274)
Balance at 31 December 2008	95,767	(1,891)	32,524	126,400

PETRA FOODS LIMITED
(Registration no. 198403096C)

Statement of Changes in Equity
For year ended 31 December 2007

	Share capital	Cash flow hedge reserve	Retained earnings	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
The Company				
Balance at 1 January 2007	95,767	(702)	37,121	132,186
Cash flow hedges	-	2,081	-	2,081
Tax on fair value gain	-	(209)	-	(209)
Net gains recognised directly in equity	-	1,872	-	1,872
Net profit for the period	-	-	10,640	10,640
Total recognised gains/(losses)	-	1,872	10,640	12,512
Final dividend relating to 2006			(5,603)	(5,603)
Interim dividend relating to 2007	-	-	(5,429)	(5,429)
Balance at 30 September 2007	95,767	1,170	36,729	133,666
4Q 2007				
Balance at 1 October 2007	95,767	1,170	36,729	133,666
Cash flow hedges	-	(2,480)	-	(2,480)
Tax on fair value gain	-	243	-	243
Net losses recognised directly in equity	-	(2,237)	-	(2,237)
Net profit for the period	-	-	1,722	1,722
Total recognised gains/(losses)	-	(2,237)	1,722	(515)
Balance at 31 December 2007	95,767	(1,067)	38,451	133,151

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 the year ended 31 December 2008, there was no change in the issued and paid up share capital of the Company.

There were no options granted or shares issued pursuant to the Petra Foods Share Option Scheme and the Share Incentive Plan

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 2007. In 1Q 2008, the Group adopted the alternative Cash Flow Hedge approach from the previous Fair Value Hedge approach under the application of Hedge Accounting for the Cocoa Ingredients Division in the Far East. To be aligned with Group's accounting policy, Cocoa Ingredients in Europe and Brazil have also adopted Cash Flow Hedge approach during the year under review.

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 except for the change in Hedge Accounting approach to Cash Flow Hedge, as discussed in paragraph 4 above.

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.

		4Q ended 31 December		Year ended 31 December	
		2008	2007	**2008**	2007
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Before adjustment	**0.53**	0.85	**2.64**	4.94
	- After adjustment	**1.31**	0.85	**4.31**	4.82
(ii)	On a fully diluted basis - (US cents)				
	- Before adjustment	**0.53**	0.85	**2.64**	4.94
	- After adjustment	**1.31**	0.85	**4.31**	4.82

Notes
1. Basic earnings per share for 4Q 2008 is computed based on 532,277,000 shares (4Q 2007: 532,277,000 shares).
2. There are no potentially dilutive ordinary shares as at 31 December 2008 and 31 December 2007 respectively.
3. For detail calculation, refer to Note 8 of the Explanatory Notes on Income Statement.

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	
	31 Dec 08	31 Dec 07	**31 Dec 08**	31 Dec 07
Net asset value per ordinary share based on issued share capital - (US cents)	**34.5**	35.5	**23.7**	25.0

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's 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

Key Figures for the Group (unaudited)

	4Q ended 31 December			Year ended 31 December		
	2008	2007	%	**2008**	2007	%
	US$'000	US$'000		**US$'000**	US$'000	
Core Cocoa (Asia & Latin America)	**134,179**	96,165	39.5	**525,243**	375,589	39.8
Europe	**108,111**	82,546	31.0	**349,266**	221,252	57.9
Cocoa Ingredients	**242,290**	178,711	35.6	**874,509**	596,841	46.5
Branded Consumer	**51,590**	58,135	(11.3)	**252,773**	239,770	5.4
Total Revenue	**293,880**	236,846	24.1	**1,127,282**	836,611	34.7
Core Cocoa (Asia & Latin America)	**7,915**	5,010	58.0	**28,430**	26,852	5.9
Europe	**(905)**	(1,232)	(26.5)	**(5,967)**	711	NM
Cocoa Ingredients	**7,010**	3,778	85.5	**22,463**	27,563	(18.5)
Branded Consumer	**9,763**	8,582	13.8	**36,571**	31,744	15.2
Adjusted EBITDA	**16,773**	12,360	35.7	**59,034**	59,307	(0.5)
Adjustments (refer to Note 7 page 5)	**(5,417)**	-	NM	**(10,619)**	-	NM
EBITDA	**11,356**	12,360	(8.1)	**48,415**	59,307	(18.4)
Finance Costs	**(6,142)**	(3,653)	68.1	**(17,954)**	(12,452)	44.2
Adjusted Profit before tax	**4,806**	4,203	14.3	**21,508**	31,060	(30.8)
Adjustments (refer to Note 7 page 5)	**(5,417)**	29	NM	**(10,619)**	652	NM
Profit before tax	**(611)**	4,232	NM	**10,889**	31,712	(65.7)
Adjusted net profit attributable to shareholders	**6,973**	4,509	54.6	**22,915**	25,649	(10.7)
Adjustments (refer to Note 7 page 5)	**(4,173)**	29	NM	**(8,855)**	652	NM
Net profit attributable to shareholders	**2,800**	4,538	(38.3)	**14,060**	26,301	(46.5)

Key Indicators by Business Segments	4Q ended 31 December			Year ended 31 December		
	2008	2007	%	**2008**	2007	%
Branded Consumer						
Gross Profit Margin	**30.4%**	30.7%	(0.3)	**30.8%**	31.3%	(0.5)
Cocoa Ingredients						
Sales Volume (MT) - Core Cocoa	**40,908**	35,419	15.5	**160,820**	147,857	8.8
Sales volume (MT) - Europe	**21,912**	16,409	33.5	**67,891**	54,815	23.9
	62,820	51,828	21.2	**228,711**	202,672	12.8
Capacity utilisation - Core Cocoa				91%	91%	
Capacity utilisation				90%	91%	

	6-month moving average ended 31 December			Year ended 31 December		
	2008	2007	%	**2008**	2007	%
	US$	US$		**US$**	US$	
Exclude the effect of hedge re-designation, FX & Fair Value losses						
EBITDA/metric ton - Core Cocoa	**191**	174	9.8	**177**	182	(2.7)
EBITDA/metric ton	**95**	116	(18.1)	**98**	136	(27.9)
Include the effect of hedge re-designation, FX & Fair Value losses						
EBITDA/metric ton - Core Cocoa	**130**	174	(25.3)	**118**	182	(35.2)
EBITDA/metric ton	**54**	116	(53.4)	**57**	136	(58.1)

Review of Group Financial Performance

The year 2008 was one of unprecedented global turmoil, especially in the 2nd half of the year with the global financial crisis triggering off what is now a global economic crisis. In particular, there was extreme volatility in the currency markets in 4Q 2008 which affected the Group's overall financial performance. Therefore, to provide readers with a better understanding and clarity of the Group's 4Q 2008 and FY2008 financial performance, we believe the "Review of Group Financial Performance" should be structured in the following manner: -

1. A review of the underlying performance of the Group's core businesses of Branded Consumer and Cocoa Ingredients (Asia and Latin America), excluding the Hedge re-designation charge ("Hedge charge"); the forex losses and the Fair Value Accounting charge;

2. A review of the performance of the European operations; and

3. Separate reviews of the nature of the US$5.6 million Hedge charge, the pre-tax forex losses totaling US$3.1 million (equivalent to US$2.1 million at the net profit level) and the Fair Value Accounting charge ("Fair Value charge") of US$1.9 million. See Pages 19-20 for explanation of the Forex Losses and the Fair Value Accounting charge; and Page 24 for explanation of the Hedge Charge.

Full Year 2008 versus Full Year 2007

For FY2008, the Group's operations generated revenue of US$1.1 billion representing a Year-on-Year (Y-o-Y) growth of 34.7%. However, the Group's full year FY2008 profit performance was affected by the continuing pre-operating loss from the European Cocoa Ingredients operations; and the Hedge charge, the forex losses and the Fair Value charge totaling US$10.6 million. For FY2008, EBITDA of US$48.4 million (Y-o-Y decline of 18.4%) and Operating Profit of US$29.6 million (Y-o-Y decline of 32.3%) were generated.

The Group's core businesses, however, achieved good performance despite the crisis. Following the approach described above (i.e. if excluding the impact of the European operations, the Hedge charge, the Forex losses and the Fair Value charge), the results would instead have shown a 2008 EBITDA of US$65 million (Y-o-Y growth of 10.9%) and operating profit of US$50.0 million (Y-o-Y growth of 9.4%).

Key Financial Highlights of the Core Businesses for FY2008

	FY2008 (US$ million)	FY2007 (US$ million)	% chg YoY
Branded Consumer	252.8	239.8	5.4%
Cocoa Ingredients (Asia & Latin America)	525.2	375.6	39.8%
Revenue	**778.0**	**615.4**	**26.4%**
Branded Consumer	35.3	31.7	11.3%
Cocoa Ingredients (Asia & Latin America)	19.1	26.9	-29.1%
EBITDA (after Hedge charge, FX & Fair Value Losses)	**54.4**	**58.6**	**-7.2%**
Branded Consumer	30.0	26.5	13.1%
Cocoa Ingredients (Asia & Latin America)	9.4	19.2	-51.1%
Oper. Profit (after Hedge Charge, FX & Fair Value Losses)	**39.4**	**45.7**	**-13.8%**
Branded Consumer	36.6	31.7	15.2%
Cocoa Ingredients (Asia & Latin America)	28.4	26.9	5.9%
EBITDA (before Hedge Charge, FX & Fair Value Losses)	**65.0**	**58.6**	**10.9%**
Branded Consumer	31.2	26.5	17.8%
Cocoa Ingredients (Asia & Latin America)	18.8	19.2	-2.1%
Oper. Profit (before Hedge Charge, FX & Fair Value Losses)	**50.0**	**45.7**	**9.4%**

Note: The pre-tax amount of the Hedge Re-designation charge is US$5.6 million; and the Forex & Fair Value Losses are US$5.0 million

Review of Group's Core Businesses

Branded Consumer Division

Key Financial Highlights for FY2008

	FY2008 (US$ million)	FY2007 (US$ million)	% chg YoY
Indonesia	180.8	182.6	-0.9%
The Regional Markets	72.0	57.2	25.7%
Branded Consumer Revenue	**252.8**	**239.8**	**5.4%**
EBITDA (after Forex Loss)	**35.3**	**31.7**	**11.3%**
Operating Profit (after Forex Loss)	**30.0**	**26.5**	**13.1%**
EBITDA (before Forex Loss)	**36.6**	**31.7**	**15.2%**
Operating Profit (before Forex Loss)	**31.2**	**26.5**	**17.8%**

The key points to highlight are:

1. For the Division as a whole, the profit growth was driven by the strong growth achieved in sales of Premium Own Brands and 3rd Party Brands products;
2. Excluding the Forex Loss, the Branded Consumer Division's profit growth would have been higher with EBITDA growth of 15.2% and operating profit growth of 17.8%; and
3. The Forex loss came about as a result of the payment of US$ denominated Group management fees in 4Q 2008, a period when the Indonesian Rupiah devalued sharply.

Core Operations in Indonesia

For Own Brands in Indonesia, overall sales were lower by 5.9% Y-o-Y mainly a result of weakness in the Value segment. Our Premium Own Brands, however, achieved revenue growth of 18% Y-o-Y driven by strong sales of core premium brand like *SilverQueen.*

For 3rd Party Brands, the strong double digit revenue growth achieved was driven by growth in existing agencies and from new agencies secured, such as Kambly and Yupi.

The Regional Markets

In FY2008, the regional markets contributed 28.5% to the Branded Consumer division's revenue (versus 23.9% a year ago) and achieved revenue growth of 25.7% Y-o-Y. The growing contribution from the regional markets can be attributed to the strong double digit revenue growth achieved in our markets in the Philippines and Malaysia.

The Philippines operations achieved strong double digit revenue growth in both Own Brands sales and 3rd Party Brands sales; and contributed 9.8% of the Division's FY2008 revenue (vs. 8.1% in last year). For Own Brands, the growth can be attributed to the successful launch of new products, especially under the *"Goya"* brand, and our success in gaining greater penetration into the different channels and regions in the archipelago. For 3rd Party Brands sales, the growth can be attributed to contributions from agencies secured in 2007, such as Calbee and Yupi and new agencies in 2008 such as Ragolds.

The growth of 3rd Party Brands distribution was not only due to new agencies secured but also from the existing agencies in the Philippines, Singapore and Malaysia where we have now successfully developed the size of the distribution business.

Profit Performance

For the Branded Consumer Division, the Y-o-Y growth achieved (before the Forex Loss) at the EBITDA and operating profit level was 15.2% and 17.8% respectively driven by the strong revenue growth of Premium Own Brands and 3rd Party Brands. From a margin perspective, our gross profit margin was maintained above the 30% level through a combination of price increases and tight management of costs. For our Own Brands, the gross profit margin was 0.8 percentage point higher in 2008.

The Y-o-Y decline of 0.3 percentage point in the blended gross profit margin is due to higher revenue contribution from 3rd Party Brands. Furthermore, the newer 3rd Party Brands have lower margins as the pricing structure does not build in the requirement for any A&P support (as the A&P support costs are borne by the Principals directly). This business whilst making a positive profit contribution has the impact of lowering the blended Gross Profit Margin computation.

Cocoa Ingredients Division

Cocoa Ingredients Division (excluding Europe)

Key Financial Highlights for FY2008

	FY2008 (US$ million)	FY2007 (US$ million)	% chg YoY
Revenue	**525.2**	**375.6**	**39.8%**
EBITDA (after Hedge Charge, FX & Fair Value Losses)	**19.1**	**26.9**	**-29.1%**
Operating Profit (after Hedge Charge, FX & Fair Value Losses)	**9.4**	**19.2**	**-51.1%**
EBITDA/mt	118	182	-35.2%
EBITDA (before Hedge Charge, FX & Fair Value Losses)	**28.4**	**26.9**	**5.9%**
Oper. Profit (before Hedge Charge, FX & Fair Value Losses)	**18.8**	**19.2**	**-2.1%**
EBITDA/mt (before Hedge Charge, FX & Fair Value Losses)	177	182	-2.7%
Sales volume (mt)	160,820	147,857	8.8%

For the Group's Cocoa Ingredients operations in Asia and Latin America, FY2008 revenue increased US$149.6 million or 39.8% Y-o-Y to US$525.2 million. Although the reported EBITDA was 29.1% lower on a Y-o-Y basis, the main reasons for this were the negative Hedge Charge, the Forex Losses and the Fair Value charge incurred. Excluding these items, EBITDA of US$28.4 million was generated - higher by 5.9% Y-o-Y on the back of the higher sales volume growth achieved.

The key point to highlight is that although the EBITDA/mt (before the Hedge Charge, Forex Losses and Fair Value charge) was lower on a Y-o-Y basis, the EBITDA yield achieved within the year was higher than the weak EBITDA/mt in 4Q 2007 and 1Q 2008.

The improving trend reflects the higher product pricing for our premium cocoa ingredients; the strong demand from our global customers; and our ability to pass on price increases. New markets penetrated the key driver of the sales volume growth of 8.8%. Despite the capacity added in Brazil, capacity utilization remains high.

The European Cocoa Ingredients Operations

After completing the acquisition of the European operations in March 2007, there is currently an ongoing program to significantly raise the capabilities and scale of the operations in the Hamburg cocoa ingredients processing facility. We have been investing financial resources and technology; and building the organization structure. This programme is on schedule for completion by the end-1Q 2009 when the European operations will have a world class state of the art facility of significant scale capable of producing high quality products. The Cocoa Ingredients Division will be able to:

1. Expand its geographical operations and solidify its presence globally;

2. Build a significant market presence in Europe, the largest market for cocoa ingredients; and

3. Further capture the outsourcing trend, especially in the supply of premium cocoa ingredients to international food and beverage companies.

However until the investment program is completed, Hamburg's capabilities are limited to producing low priced generic grade cocoa ingredients and semi finished products which generate extremely low EBITDA yields. The current operations have yet to benefit from the ongoing investment program which will significantly raise the capabilities and scale of the operations.

The current losses from the European operations essentially reflect the facility at its present pre-operating stage and do not yet reflect its full potential after the investment program.

As a result of our current inability to sell customized ingredients, the negative EBITDA/mt of US$88 generated reflects the low pricing achievable for the current semi-finished products. Other factors contributing to the loss were:

1. Disruption to production caused by the upgrading program; and

2. Higher overheads disproportional to the present business but necessary ahead of the completion of the investment program.

More significantly, with the completion of the investment programme, the European operations can begin selling higher priced cocoa powder which will provide an immediate uplift to its financial performance.

The Fair Value Accounting Charge and Forex Losses

Fair Value Accounting Charge

Our risk management and hedging philosophy necessitates the use of financial derivatives as a hedge instrument to protect our cash flow and profitability; and the financial derivatives we use are: -

- Cocoa futures as a tool to hedge against cocoa bean price risks

- Interest rate swaps (as a means to convert floating interest rate to fixed rate) to lock-in long term interest rate and future cash flow in a high interest rate environment

- FX instruments to hedge against currency fluctuations

Essentially, we achieved the following through the use of these instruments: -

- Protected the margins of Cocoa Ingredients where EBITDA/mt yield achieved over the last two years was between US$177 to US$182 level (over 2 years) despite sharp fluctuation of bean prices exceeding US$1,000 per MT. These cocoa futures were used partly to hedge Cost of Sales exceeding US$800 million

- Reduced effective borrowing cost to below 6.0% p.a. based on the full year interest expense of US$18 million

However the use of these financial derivatives inevitably brings with it associated accounting and timing issues like FRS 39 compliance and hedge effectiveness. For example the US$5.6 million Hedge charge and the US$1.9 million marked-to-market loss on cocoa futures arbitrages (taken in 4Q 2008).

The marked-to-market loss arose because in 4Q 2008, in order to minimise counterparty risk amidst the global crisis and to maximize cash inflow, we took the precautionary step to close out some cocoa futures arbitrages (relating to 2009). The corresponding currency futures, however, remained open to match specific Sterling Pound bean purchases.

As an accounting technicality, a marked-to-market forex loss of US$1.9 million was recognized upfront in 4Q 2008's P&L instead of in 2009 since the hedge no longer qualified as Cash Flow Hedge (as the futures leg was closed out). Had there been no precautionary close out of these cocoa futures, this amount would have been recorded in the Cash Flow Hedge Reserve (Balance Sheet) to match lower cost bean purchases. This is a timing difference and will reverse in 2009.

In addition to the above charges, the Group's results were also impacted by a US$1.8 million marked-to-market charge on interest rate swaps. These instruments were entered into previously to protect our future cash flow in a high interest rate environment. However, the drop in interest rates to a historical low in 4Q 2008 resulted in us taking a lump sum Fair Value loss (non-cash) of US$1.8 million for FY2008. This loss figure represents the cumulative total of the interest differential (i.e. between the contracted rate and prevailing rate) calculated over the remaining life of the instrument. This charge will reverse proportionately over the remaining life of the instrument.

Forex Losses

In 4Q 2008, forex losses totaling US$3.1 million arose as a result of the extreme volatility in the currency markets with the Brazilian Reais and the Indonesian Rupiah suffering a depreciation of 22% and 17% respectively against the USD.

A breakdown of the forex losses are: -

	Pre-Tax Loss (US$ million)	Loss Net of Tax (US$ million)
Exchange Loss in Brazil	(1.9)	(1.2)
Exchange Loss for Branded Consumer Division	(1.2)	(0.9)
Total	**(3.1)**	**(2.1)**

- Exchange Loss in Brazil

  For the Latin American cocoa ingredients operations, the exposure (although short term) arises as a result of the timing gap between invoicing and collection of our receivables in Reais. Historically, the economic cost of hedging this exposure was very prohibitive. With the sharp depreciation of Reais by 22% in 4Q 2008, this resulted in the exchange loss of US$1.9 million. We have been and will continue to evaluate suitable options to minimize this exposure.

- Exchange loss relating to the Branded Consumer Division

  This resulted from the payment in 4Q 2008 of a US$ denominated management fee (pertaining to 2007) by our Indonesian operations.

4Q 2008 versus 4Q 2007

For 4Q 2008, the Group's operations (including Europe) generated revenue of US$293.9 million representing a Year-on-Year (Y-o-Y) growth of 24.1%. However the continuing pre-operating loss from the European Cocoa Ingredients operations combined with US$0.4 million of Hedge Charge and US$5.0 million of Forex and Fair Value Losses at the pretax level weighed on the Group's overall profit performance. For 4Q 2008, EBITDA of US$11.4 million (Y-o-Y decline of 8.1%) and Operating Profit of US$5.9 million (Y-o-Y decline of 25.7%) were generated.

However, if excluding the impact of the European operations, the Hedge Charge, the Forex and Fair Value Losses, the results would instead have shown a 4Q 2008 EBITDA for US$17.7 million (Y-o-Y growth of 30.1%) and operating profit of US$13.1 million (Y-o-Y growth of 32.3%).

Review of Group's Core Businesses

Key Financial Highlights of the Core Businesses for 4Q 2008

	4Q 2008 (US$ million)	4Q 2007 (US$ million)	% chg YoY
Branded Consumer	51.6	58.1	-11.3%
Cocoa Ingredients (Asia & Latin America)	134.2	96.2	39.5%
Revenue	**185.8**	**154.3**	**20.4%**
Branded Consumer	8.6	8.6	-0.6%
Cocoa Ingredients (Asia & Latin America)	3.7	5.0	-25.5%
EBITDA (after Hedge Charge, FX & Fair Value Losses)	**12.3**	**13.6**	**-9.8%**
Branded Consumer	7.5	7.1	5.7%
Cocoa Ingredients (Asia & Latin America)	0.1	2.8	-95.2%
Operating Profit (after Hedge Charge, FX & Fair Value Losses)	**7.6**	**9.9**	**-22.5%**
Branded Consumer	9.8	8.6	13.8%
Cocoa Ingredients (Asia & Latin America)	7.9	5.0	58.0%
EBITDA (before Hedge Charge, FX & Fair Value Losses)	17.7	13.6	30.1%
Branded Consumer	8.8	7.1	23.0%
Cocoa Ingredients (Asia & Latin America)	4.3	2.8	56.2%
Oper. Profit (before Hedge Charge, FX & Fair Value Losses)	13.1	9.9	32.3%

Review of Branded Consumer Division

Key Financial Highlights for 4Q 2008

	4Q 2008 (US$ million)	4Q 2007 (US$ million)	% chg YoY
Indonesia	32.7	41.6	-21.6%
The Regional Markets	18.9	16.5	14.8%
Branded Consumer Revenue	**51.6**	**58.1**	**-11.3%**
EBITDA (after Forex Loss)	**8.6**	**8.6**	**-0.6%**
Operating Profit (after Forex Loss)	**7.5**	**7.1**	**5.7%**
EBITDA (before Forex Loss)	**9.8**	**8.6**	**13.8%**
Operating Profit (before Forex Loss)	**8.8**	**7.1**	**23.0%**

For the Branded Consumer Division, the major reason for its revenue decline can be attributed to the depreciation of the Indonesian Rupiah in 4Q 2008 (from IDR 9,378/US$1 @ 30 September 2008 to IDR 10,950 / US$1 @ 31 December 2008) which had the effect of lowering the US$ equivalent figures. However, in local currency terms, the 4Q 2008 picture would be completely different as sales for the Branded Consumer Division was higher 6.0% Y-o-Y while operating profit growth would have been 40.2% higher.

For the Division as a whole, significant growth was achieved in sales of Premium Own Brands products and 3rd Party Brands. The revenue stream from the distribution of 3rd Party Brands contributed 44% to the Division's 4Q 2008 revenue.

Cocoa Ingredients Division

Cocoa Ingredients Division (excluding Europe)

Key Financial Highlights for 4Q 2008

	4Q 2008 (US$ million)	4Q 2007 (US$ million)	% chg YoY
Revenue	**134.2**	**96.2**	**39.5%**
EBITDA (after Hedge Charge, FX & Fair Value Losses)	**3.7**	**5.0**	**-25.5%**
Operating Profit (after Hedge Charge, FX & Fair Value Losses)	**0.1**	**2.8**	**-95.2%**
EBITDA/mt (6 month moving average)	130	174	-25.3%
EBITDA (before Hedge Charge, FX & Fair Value Losses)	**7.9**	**5.0**	**58.0%**
Oper. Profit (before Hedge Charge, FX & Fair Value Losses)	**4.3**	**2.8**	**56.2%**
EBITDA/mt (6 month moving average)	191	174	9.8%
Sales volume (mt)	40,908	35,419	15.5%

The key point to highlight is that the EBITDA/mt (6 month moving average) achieved was higher on a Y-o-Y basis with the improving trend reflecting the higher product pricing for our premium cocoa ingredients and the strong demand from our global customers. New markets penetrated the key driver of the sales volume growth of 15.5%.

The European Cocoa Ingredients Operations

For 4Q 2008, the European Cocoa operations incurred a net loss of US$1.2 million (bringing full year loss to US$7.0 million) and essentially reflect the facility at its present pre-operating stage and do not yet reflect its full potential after the investment program.

Financial strategies to minimize risks under the current Global Financial Environment

Given the current turmoil in the global financial environment, it is timely to highlight the results of the strategic initiatives already implemented to strengthen our financial position:

1. Increased additional borrowing capacity to US$210 million or 40% of available credit lines;

2. Reduced net debt/equity level to 1.50x from 1.70x in 3Q 2008;

3. Lowered Q-on-Q borrowings of US$34m by improving working capital. On a Q-on-Q basis, our inventory has declined by US$57.1 million;

4. Secured separate committed credit lines for Europe's expansion;

5. Reducing reliance on short term borrowings to fund working capital requirements - The percentage of short term borrowing to total borrowings is currently at 45% which is a significant reduction from 79% two years ago;

6. Re-balanced debt portfolio to reduce exposure to credit refinancing risk with only US$44 million (or 14%) due for repayment over the next two years; and

7. Reduced 2008's cost of borrowings to <6.0% p.a. (from 6.5% in 2007) despite credit crunch.

The Credit Crunch - Risks & Mitigants

Liquidity Risk	▪ Minimal exposure to liquidity or refinancing risk 1. Of total loans, only 6% are due for repayment in 2009. Can be refinanced through internal cash flow 2. Of the working capital facilities, no significant amount is due for renewal ▪ Preventive action already taken: 1. Pursue options in the debt capital market to further reduce reliance on short term working capital facilities; and 2. Continued application of the Group's financing strategy which includes extending the debt maturity profile to match the financing and investment needs of the business ▪ Lower commodity prices (including cocoa beans) will translate to lower working capital requirements
Credit Financing (Bank Exposure Risk)	▪ Diversified sources of credit - The Group has more than 10 banks on its panel ▪ In compliance with debt covenants ▪ All our credit lines remain intact ▪ Our Trade Finance facilities are used in the significant value add process of transforming cocoa beans to customized cocoa ingredients - favoured by financial institutions as these facilities are used to fund highly liquid and hedged assets; backed by committed sales contract. ▪ Credit headroom of more than US$210 million with utilization at approximately the 60% level ▪ For the expansion in Europe, this will be funded through committed credit lines which are already in place ▪ Preventive action already taken: ✓ Exploring means of increasing credit headroom for contingencies. For example, working with several existing and new financial institutions to participate in our working capital financing

Cash Flow Risk	■ Core businesses generating strong operating cash flows ■ Coping well with higher working capital arising from higher bean prices ■ The completion of the European investment program will see significantly lower capital expenditure in 2009 - The Group is expected to generate free cash flow ■ Action taken to further strengthen the Group's cash flow: 1. Improve working capital cycle through tighter working capital management; and 2. Deferring any capital expenditure that is not immediately income generating.
Counterparty Risk	■ Source cocoa beans through multiple suppliers to minimize supply risk ■ In the event of any potential supply interruption from one of our suppliers, this risk can be effectively managed through our other suppliers ■ Minimal exposure to our cocoa bean suppliers and trading houses if all committed positions were to be liquidated ■ There have been no counterparty defaults to-date and we continue to monitor and minimize these risks ■ Preventive action already taken: ✓ Tightened credit checks and controls on receivables collection to minimize our exposure and maximize collections
Foreign Currency Risk	■ Minimise risk through matching borrowings with functional currency revenue 1. For Cocoa Ingredients (Asia & Latin America) - USD revenue matches USD borrowings 2. For Cocoa Ingredients (Europe) - Euro revenue matches Euro borrowings 3. For Branded Consumer - Local currency revenue (e.g. Rupiah) matches local currency borrowings (e.g. Rupiah) ■ For the Indonesian operations, the impact of currency movement on raw material purchases is managed through price increases and cost reductions

The Impact of the New Approach to Hedge Accounting under FRS 39

As previously explained in the Group's "*1Q 2008, 2Q 2008 and 3Q 2008's Unaudited Financial Statement and Dividend Announcement*", the alternative Cash Flow Hedge (CFH) approach was adopted in 1Q 2008 from the previous Fair Value Hedge approach for the Cocoa Ingredients Division in the Far East. The rationale for the adoption of the CFH approach was to minimize any unnecessary Profit and Loss movements and more closely match the impact of the hedges with the underlying transactions.

However, the change in hedge designation gives rise (in accordance with FRS 39) to a residual fair value adjustment of US$5.6 million (pertaining to 2007's year end physical hedge contracts and inventories) to be realized in the Profit and Loss Account over the course of FY2008. A negative fair value adjustment of US$5.6 million was reflected in the Cocoa Ingredients Division's cost of sales in accordance with the corresponding realization of sales contracts and inventories during this period. Of this, the final US$0.4 million was reflected in 4Q 2008.

This new approach was applied to the Far East Cocoa Ingredients operations in 1Q 2008; to the European operations in 3Q 2008; and to Latin America in 4Q 2008.

Over the longer term, the Group believes that the CFH approach should minimize volatility from the fair valuation of bean futures on the operating performance of the Division.

Operating Expenses

The Group's FY2008 Selling and Distribution Expenses and General and Administration Expenses increased by US$4.9 million and US$4.5 million to reach US$60.2 million and US$29.3 million respectively. The increase in these expenses can be attributable to:

1. Higher outward freight costs from both divisions in line with increases in sales volumes;
2. Strengthening of the Europe operations in anticipation of the ramp-up of production capabilities by the end of 1Q 2009; and
3. Increased staff costs to support the higher sales volumes, new product launches and a stronger sales and distribution platform.

Finance Cost

The Group's finance cost in FY2008 of US$18.0 million reflected the funding for:

1. Higher working capital requirements in line with higher market prices for beans;
2. Funding for the Cocoa Ingredients Division's Europe acquisition; and
3. Funding of the capacity expansion in Europe.

Review of Balance Sheet and Financial Position

Balance Sheet as at	**31-Dec-08**	31-Dec-07	Change
	US$'000	US$'000	US$'000
Total Assets	631,135	536,258	**94,877**
Current assets	359,815	311,930	**47,885**
Non current assets	271,320	224,328	**46,992**
Total Borrowings	320,376	225,320	**95,056**
Shareholders' Equity	183,562	188,776	**(5,214)**
Net Working Capital	98,981	86,201	**12,780**

The Group's balance sheet was affected by the sharp depreciation of Rupiah and Euro against USD dollar in 4Q 2008. This resulted in a translation loss of US$13 million which saw the shareholders' equity to decrease by US$5.2 million to US$183.6 million.

Total assets grew by US$94.9 million due mainly to capital expenditure of US$78.9 million and higher inventory values due to higher bean prices. The businesses' growth and expansion was mainly funded by a stronger operating cash flow before working capital changes of US$69.8 million, Medium Term Notes and bank loans totaling US$90.1 million and increased utilization of trade finance facilities.

The Group's increased borrowings can be attributed to:

1. Additional utilization of term loan and working capital facilities of US$43.6 million for the European capital expenditure and working capital; and

2. Higher trade finance required to fund cocoa inventories which have surged in value due to rising cocoa bean prices during the period under review.

This resulted in an increase in the Group borrowings from US$225.3 million as of 31 December 2007 to US$320.4 million. The tapping of MTN and term loans to refinance part of working capital and fund capital expenditure is to strengthen the Group's capital structure and better match the debt maturity profile to suit the Group's funding and investment needs.

The Group's net debt to equity ratio increased from 1.06 times to 1.50 times as of end-FY2008. Excluding the trade finance and MTN for inventories, its adjusted net debt equity[1] increased marginally from 0.50 times to 0.66 times.

[1]To more accurately reflect the gearing of the Group, adjusted net debt ratio is computed by adjusting for banking facilities (excluding trade finance and MTN) which are used to fund cocoa beans/raw material inventories.

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 4Q and full year ended December 2008 are in line with the commentary made in Paragraph 10 of the Group 3Q 2008 Unaudited Financial Statement and Dividend Announcement in November 2008.

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.

Amidst this global crisis, our main priority in 2009 is to produce positive Free Cash Flow for the Group through: -

1. Significantly reducing capital expenditure to only the most critical and immediately income generating;
2. Managing our working capital tightly; and
3. Maintaining a tight control of operating costs.

Further, we believe the core strengths of our two divisions combined will steer us through this crisis. The core strengths of the Group being:-

a. Strong, talented and experienced management team

- Our team has the track record in overcoming political and economic crises
- Track record in successfully growing the business

b. Strong market position

Branded Consumer
- Dominance in Indonesia's chocolate confectionery market and a growing presence in the Philippines
- Dominant brands that capture both Premium and Value Segments
- Strong distribution

Cocoa Ingredients
- Dominant in Asia
- Strong customer base where we are the Trusted Partner of choice to many of our multinational food & beverage customers
- Significant manufacturing scale with a substantial portion of 2009's capacity already committed
- 4Q 2008's momentum continues into 2009 and we see EBITDA yield maintained at 2008's level. Our business is a cost pass through business and we do not speculate.

c. Strong innovation culture

- Proven track record in launching winning ideas
- For Branded Consumer, we launched several products in the last financial crisis that became top sellers
- Strong pipeline of new product launches planned in 2009

In addition, we expect lower losses from our European Cocoa operations in 2009 with the Hamburg facility's new capabilities to sell higher priced products. Although we are more than doubling the capacity of the Hamburg facility, the key point to highlight is that the additional capacity is less than five percent of the European market. Furthermore, the additional sales volume from Hamburg will not be restricted only to Europe as we will be using it to tap the Far East, Latin America, USA and the Middle East.

With the world today facing the severest crisis in several decades, we may get buffeted about but we are cautiously optimistic of the Group's outlook in 2009 and our ability to steer through this crisis.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	1.39 cents per ordinary share (one-tier tax exempt)	1.55 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A.	N.A.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on?

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	1.53 cents per ordinary share (one-tier tax exempt)	1.45 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A.	N.A.

c. Date payable

The directors have proposed a final dividend of 1.02 US cents or 1.55 Singapore cents per share based on 532,277,000 ordinary shares in issue for approval of shareholders at the Annual General Meeting on 28 April 2009. If approved, the dividend will be payable on 20 May 2009.

d. Books closure date

The register of Members and Transfer of the Company will be closed on 8 May 2009 for the purpose of determining shareholders' entitlement to the dividend.

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 7 May 2009 will be registered before entitlements to the dividend are determined.

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
Period ended 31 December 2008			
Sales:			
- External sales	874,509	252,773	1,127,282
- Inter-segment sales	18,523	-	18,523
	893,032	252,773	1,145,805
Elimination			(18,523)
			1,127,282
Segment result	(450)	30,009	29,559
Finance costs			(17,954)
Share of results of associated companies			(716)
Profit before tax			10,889
Income tax expense			(234)
Net profit			10,655
Segment assets	480,199	143,172	623,371
Associated companies			1,773
Unallocated assets			5,991
Consolidated total assets			631,135
Segment liabilities	66,547	31,289	97,836
Unallocated liabilities			330,052
Consolidated total liabilities			427,888
Other segment items			
Capital expenditure	75,896	2,980	78,876
Depreciation	11,453	6,104	17,557
Amortisation	471	24	495
EBITDA	**13,080**	**35,335**	**48,415**

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Segment Information (continued)

Primary reporting format - business segments (continued)

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 31 December 2007			
Sales:			
- External sales	596,841	239,770	836,611
- Inter-segment sales	16,101	-	16,101
	612,942	239,770	852,712
Elimination			(16,101)
			836,611
Segment result	17,122	26,535	43,657
Finance costs			(12,452)
Share of results of associated companies			(145)
Profit before tax			31,060
Income tax expense			(7,014)
Exceptional items			652
Net profit			24,698
Segment assets	377,657	152,523	530,180
Associated companies			2,794
Unallocated assets			3,284
Consolidated total assets			536,258
Segment liabilities	60,253	31,905	92,158
Unallocated liabilities			237,652
Consolidated total liabilities			329,810
Other segment items			
Capital expenditure	15,796	12,148	27,944
Depreciation	9,673	5,414	15,087
Amortisation	373	44	417
Exceptional Item	652	-	652
EBITDA	**27,563**	**31,744**	**59,307**

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Secondary reporting format - geographical segments

For period ended 31 December	Revenue		Total Assets		Capital Expenditure	
	2008	2007	**2008**	2007	**2008**	2007
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Indonesia	**199,576**	198,414	**149,914**	165,844	**3,179**	13,180
Singapore	**67,568**	52,084	**236,347**	183,534	**374**	66
Philippines	**40,021**	32,164	**35,497**	41,759	**384**	564
Thailand	**9,469**	7,542	**23,786**	18,783	**235**	439
Malaysia	**28,585**	23,839	**115,059**	92,528	**14,492**	987
Japan	**72,419**	54,474	**-**	-	**-**	-
Middle East	**32,567**	17,548	**-**	-	**-**	-
Other countries in Asia	**45,442**	31,965	**-**	-	**-**	-
Australia	**58,805**	48,458	**-**	-	**-**	-
Europe	**422,001**	299,915	**181,614**	110,645	**59,250**	10,173
North America	**48,120**	25,418	**1,739**	834	**-**	-
South America	**77,045**	32,796	**74,037**	62,361	**962**	2,535
Africa	**25,664**	11,994	**-**	-		-
	1,127,282	836,611	**817,993**	676,288	**78,876**	27,944
Elimination	-	-	**(186,858)**	(140,030)	**-**	-
	1,127,282	836,611	**631,135**	536,258	**78,876**	27,944

13. Breakdown of Sales

		FY2008 US$'000	FY2007 US$'000	Change %
(a)	Sales reported for first half year	**516,076**	360,275	43.2
(b)	Operating profit/loss after tax before deducting minority interest reported for the first half year	**5,157**	13,463	(61.7)
(a)	Sales reported for second half year	**611,206**	476,336	28.3
(b)	Operating profit/loss after tax before deducting minority interest reported for the second half year	**5,498**	11,235	(51.1)

14. Interested Person Transactions

	[1] Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	4Q 2008	**Full Year 2008**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	913	3,840
- Purchase of products	1,470	7,153
	2,383	**10,993**
PT Tri Keeson Utama		
- Sales of goods	**560**	**2,822**
PT Fajar Mataram Sedayu		
- Sales of goods	211	1,715
- Purchase of goods	96	405
	307	**2,120**
PT Sederhana Djaja		
- Lease of properties	15	67
	3,265	**16,002**

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

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2008 US$'000	FY2007 US$'000
Ordinary		
- Interim	5,218	5,429
- Proposed Final	5,218	5,429
Preference	Not Applicable	Not Applicable
Total	**10,436**	**10,858**

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