PETRA FOODS LIMITED

(Registration no. 198403096C)

Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the 1st Quarter Ended 31 March 2010

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

TABLE OF CONTENTS

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		
		3 months ended 31 March		
		2010	2009	%
	Notes	**US$'000**	US$'000	
Sales	1	**338,706**	281,390	20.4
Cost of Sales	2	**(297,711)**	(252,361)	18.0
Gross Profit		**40,995**	29,029	41.2
Other operating income		**3,590**	1,468	144.6
Selling and distribution costs		**(19,510)**	(13,834)	41.0
Administrative expenses		**(8,403)**	(6,599)	27.3
Finance costs	3	**(5,834)**	(4,247)	37.4
Other operating expenses		**(387)**	(1,202)	(67.8)
		10,451	4,615	126.5
Share of results of associated companies		**121**	(170)	NM
Profit before tax	4	**10,572**	4,445	137.8
Income tax expense		**(2,292)**	(1,142)	100.7
Net Profit		**8,280**	3,303	150.7
Attributable to:				
Equity holders of the company		**8,280**	4,313	92.0
Minority Interest	5	**-**	(1,010)	NM
		8,280	3,303	150.7
EBITDA	6	**23,055**	13,470	71.1
Earnings per share (US cents) - Basic and Diluted[a]		**1.56**	0.81	92.0
Return on Equity		**15.8%**[b]	12.6% [c]	3.2% pt

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

b For comparative purposes, ROE is computed based on annualized 1Q 2010 net profit attributable to equity holders of the company divided by average shareholders equity.

c Relates to full year 2009 audited figures

Explanatory notes on income statement

Note 1 - Breakdown of Sales by Division

	3 months ended 31 March		
	2010	2009	Change
	US$'000	US$'000	%
Cocoa Ingredients Division	**251,474**	217,777	15.5
Branded Consumer Division	**87,232**	63,613	37.1
	338,706	281,390	20.4

Note 2 - Cost of Sales

	3 months ended 31 March		
	2010	2009	Change
	US$'000	US$'000	%
Cost of goods sold	**298,004**	247,802	20.3
Cost of services	**3,584**	2,437	47.1
	301,588	250,239	20.5
Transfer from cash flow hedge reserve - cocoa bean/forex derivatives	**(3,971)**	(3,443)	15.3
Other adjustments to cost of sales:			
- Fair value (gain)/loss on cocoa bean derivatives	**(4,467)**	1,436	NM
- Fair value loss/(gain) on foreign exchange derivatives	**4,481**	(384)	NM
Net foreign exchange loss	**80**	4,513	NM
Cost of Sales	**297,711**	252,361	18.0

Note 3 - Finance Costs (Net)

	3 months ended 31 March		
	2010	2009	Change
	US$'000	US$'000	%
Interest Expense	**5,027**	3,802	32.2
Transfer from cash flow hedge - interest rate swaps	**905**	458	97.6
	5,932	4,260	39.2
Net foreign exchange gain	**(98)**	(13)	NM
Total finance costs	**5,834**	4,247	37.4

Note 4 - Profit before Income Tax

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

	3 months ended 31 March		
	2010	2009	Change
	US$'000	US$'000	%
Depreciation of property, plant and equipment	**(6,235)**	(4,451)	40.1
Amortisation of intangible assets	**(114)**	(117)	(2.6)
Net foreign exchange loss	**(1,733)**	(4,532)	(61.8)
Over provision of tax in prior years	**264**	182	45.1
Gain on disposal of property, plant and equipment	**67**	4	NM
Impairment loss on trade receivables	**(21)**	-	NM
Inventories written off	**(227)**	(238)	(4.6)
Allowance made for inventory obsolescence	**(603)**	(164)	267.7

Note 5 - Minority Interest

In January 2010, the Group's effective interest in its European subsidiaries increased from 68% to 100% after its acquisition of remaining 32% of the issued share capital of Petra Armajaro Holdings Pte Ltd ("PAH") from its minority shareholder.

Note 6 - EBITDA

	3 months ended 31 March		
	2010	2009	Change
	US$'000	US$'000	%
Profit Before Tax	**10,572**	4,445	137.8
Interest expense	**5,932**	4,260	39.2
Fair value loss on interest rate derivatives	**251**	234	7.7
Interest income	**(49)**	(37)	32.4
Depreciation of property, plant and equipment	**6,235**	4,451	40.1
Amortisation of intangible assets	**114**	117	(2.6)
EBITDA	**23,055**	13,470	71.1

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-Mar-10	31-Dec-09	**31-Mar-10**	31-Dec-09
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**18,229**	18,338	**4,699**	6,759
Derivative assets		**7,581**	4,509	**6,968**	4,087
Trade receivables		**128,729**	134,022	**229,154**	183,034
Inventories	1	**401,007**	354,796	**10,493**	7,066
Tax recoverable		**7,210**	5,323	**-**	-
Other current assets		**36,798**	32,009	**11,569**	17,806
Receivables from subsidiaries		**-**	-	**10,000**	10,000
		599,554	548,997	**272,883**	228,752
Non-current assets					
Investments in subsidiaries	2	**-**	-	**116,302**	103,114
Investments in associated companies		**2,576**	2,363	**3,000**	3,000
Receivables from subsidiaries		**-**	-	**63,800**	54,519
Loans to associated company		**2,458**	2,411	**-**	-
Property, plant and equipment	3	**261,673**	270,049	**1,015**	1,134
Intangibles assets		**21,498**	22,032	**1,784**	1,784
Deferred income tax assets		**15,674**	14,805	**-**	-
Other non-current assets		**746**	888	**-**	-
		304,625	312,548	**185,901**	163,551
Total Assets		**904,179**	861,545	**458,784**	392,303
LIABILITIES					
Current liabilities					
Trade payables		**111,931**	115,028	**56,538**	34,246
Other payables		**41,168**	38,326	**21,925**	10,545
Current income tax liabilities		**6,601**	4,815	**2,247**	2,116
Derivative liabilities		**5,929**	5,607	**5,103**	5,257
Borrowings	4	**309,955**	295,931	**127,973**	85,430
		475,584	459,707	**213,786**	137,594
Non-current liabilities					
Borrowings	4	**202,875**	166,376	**84,654**	101,102
Deferred income tax liabilities		**5,987**	7,046	**607**	1,051
Provisions for other liabilities and charges		**9,324**	8,347	**-**	-
		218,186	181,769	**85,261**	102,153
Total liabilities		**693,770**	641,476	**299,047**	239,747
NET ASSETS		**210,409**	220,069	**159,737**	152,556
Capital and reserves attributable to the Company's equity holders					
Share capital		**95,767**	95,767	**95,767**	95,767
Foreign currency translation reserve		**(3,377)**	(3,079)	**-**	-
Other reserves		**4**	5,270	**2,334**	4,903
Retained earnings		**118,015**	109,735	**61,636**	51,886
		210,409	207,693	**159,737**	152,556
Minority interests		**-**	12,376	**-**	-
Total equity		**210,409**	220,069	**159,737**	152,556

Explanatory notes on statement of Financial Position

Note 1 - Inventories

The increase in the Cocoa Ingredients Division's inventories reflected the impact of higher cocoa bean prices and higher volume carried as a result of timing of deliveries of contracted sales.

	31 March 2010	31 December 2009
	US$'000	US$'000
Cocoa Ingredients	**345,343**	296,163
Branded Consumer	**55,664**	58,633
	401,007	354,796

Note 2 - Investment in Subsidiaries

On 29 January 2010, the Company acquired the remaining 32% of the issued share capital of Petra Armajaro Holding Pte Ltd ("PAH") from its minority shareholder for a cash consideration of Euro 9.4 million (US$13.2 million) paid in cash.

Note 3 - Property, Plant and Equipment

To conserve liquidity, the Group significantly reduced capital expenditure to high priority items only.

	31 March 2010	31 March 2009
	US$'000	US$'000
Cocoa Ingredients	**2,126**	11,078
Branded Consumer	**815**	1,075
	2,941	12,153

Note 4 - Borrowings

	Group		**Company**	
	31-Mar-10	31-Dec-09	**31-Mar-10**	31-Dec-09
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**32,384**	46,384	**418**	580
Bank borrowings	**114,691**	125,093	**22,955**	23,163
MTN	**83,651**	83,584	**83,651**	83,584
Finance lease liabilities	**1,617**	1,771	**293**	335
Trade finance and short term advances	**280,487**	205,475	**105,310**	78,870
	512,830	462,307	**212,627**	186,532
Breakdown of borrowings:				
Current	**309,955**	295,931	**127,973**	85,430
Non current	**202,875**	166,376	**84,654**	101,102
	512,830	462,307	**212,627**	186,532

During 1Q 2010, additional trade finance of US$75 million was drawn down to fund the higher inventories as disclosed in Note 1. To minimize refinancing risk, a portion of the European operation's working capital finance was committed for a 2-year period through a new Euro 120 million syndicated facility.

Note 5 - Key Ratios

	Group	
	31-Mar-10	31-Dec-09
Current Ratio	**1.26**	1.19
Average Inventory Days	**116**	95
Average Receivable Days	**35**	33
Net Debt to Equity	**2.35**	2.02
Adjusted Net Debt to Equity*	**0.62**	0.70

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

The increase in Average Inventory Days was mainly attributable to the higher cocoa bean prices which translated to a higher value of cocoa inventories held; and timing of deliveries of some contracted sales. The Average Receivable Days edged up due to the different trading terms for our Europe cocoa ingredients operations.

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

	Group		Company	
	31-Mar-10	31-Dec-09	**31-Mar-10**	31-Dec-09
Amount repayable in one year or less, or on demand				
- Secured	**81,065**	105,604	**113**	132
- Unsecured	**228,890**	190,327	**127,860**	85,298
	309,955	295,931	**127,973**	85,430
Amount repayable after one year				
- Secured	**100,264**	43,987	**180**	203
- Unsecured	**102,611**	122,389	**84,474**	100,899
	202,875	166,376	**84,654**	101,102

Details of collateral

Total bank borrowings of US$181.3 million obtained by Group are secured on trade receivables, inventory, property, plant and equipment and legal mortgages of land and properties.

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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	3 months ended 31-Mar-10 US$'000	3 months ended 31-Mar-09 US$'000
Cash flows from operating activities			
Profit before tax		**10,572**	4,445
Adjustments:			
Depreciation and amortization		**6,349**	4,568
Property, plant and equipment written off		**134**	-
Gain on disposal of property, plant and equipment		**(67)**	(4)
Interest income		**(49)**	(37)
Interest expense		**5,932**	4,260
Fair value of derivatives		**(3,151)**	(1,502)
Net foreign exchange gain		**(98)**	(13)
Share of (gain)/loss from associated companies		**(121)**	170
Operating cash flow before working capital changes		**19,501**	11,887
Change in working capital			
Inventories		**(46,211)**	(14,111)
Trade and other receivables		**(4,243)**	(2,867)
Trade and other payables		**722**	23,902
Cash (used in)/generated from operations		**(30,231)**	18,811
Interest received		**49**	37
Income tax paid		**(4,218)**	(1,186)
Net cash (used in)/provided by operating activities		**(34,400)**	17,662
Cash flows from investing activities			
Purchases of property, plant and equipment		**(2,941)**	(12,153)
Acquisition of remaining interest in a subsidiary	Para1(b)(i) Note 2	**(13,187)**	-
Payments for patents & trademarks		**(14)**	(12)
Proceeds from disposals of property, plant and equipment		**80**	21
Net cash used in investing activities		**(16,062)**	(12,144)
Cash flows from financing activities			
Proceeds from term loans		**179**	16,262
Proceeds from trade finance and short term advances		**75,110**	19,685
Repayments of term loans		**(8,081)**	(4,303)
Repayment of lease liabilities		**(244)**	(214)
Interest paid		**(5,932)**	(4,260)
Net cash provided by financing activities		**61,032**	27,170
Net increase in cash and cash equivalents		**10,570**	**32,688**
Cash and cash equivalents			
Beginning of financial year		**(28,046)**	(14,301)
Effects of currency translation on cash and cash equivalents		**3,321**	(1,805)
End of financial year		**(14,155)**	16,582

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

	3 months ended	
	31-Mar-10	31-Mar-09
	US$'000	US$'000
Cash and bank balances	**18,229**	29,705
Less: Bank overdrafts	**(32,384)**	(13,123)
	(14,155)	16,582

Consolidated Statement of Comprehensive Income

	3 months ended	
	31-Mar-10	31-Mar-09
	US$'000	US$'000
Profit for the period	**8,280**	3,303
Fair value (loss)/gains on cash flow hedges	**(2,223)**	732
Transfers to income statement	**(3,066)**	328
Tax on fair value adjustments	**834**	(658)
	(4,455)	402
Currency translation loss	**(298)**	(5,821)
Other comprehensive expense for the period	**(4,753)**	(5,419)
Total comprehensive income/(expense) for the period	**3,527**	(2,116)
Attributable to:		
Shareholders of the Company	**3,527**	163
Minority interests	**-**	(2,279)
	3,527	(2,116)

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 Group

	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
The Group								
1Q 2010								
Balance at 1 January 2010	95,767	(3,079)	3,651	1,619	109,735	207,693	12,376	220,069
Total comprehensive income for the quarter	-	(298)	(4,455)	-	8,280	3,527	-	3,527
Acquisition of additional interest in a subsidiary	-	-	-	(811)	-	(811)	(12,376)	(13,187)
Balance at 31 March 2010	95,767	(3,377)	(804)	808	118,015	210,409	-	210,409
The Group								
1Q 2009								
Balance at 1 January 2009	95,767	(13,089)	3,217	1,538	96,129	183,562	19,685	203,247
Total comprehensive income for the quarter	-	(3,858)	(292)	-	4,313	163	(2,279)	(2,116)
Balance at 31 March 2009	95,767	(16,947)	2,925	1,538	100,442	183,725	17,406	201,131

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company			
	Share capital	Cash flow hedge reserve	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000
The Company				
1Q 2010				
Balance at 1 January 2010	95,767	4,903	51,886	152,556
Total comprehensive income for the quarter	-	(2,569)	9,750	7,181
Balance at 31 March 2010	95,767	2,334	61,636	159,737
The Company				
1Q 2009				
Balance at 1 January 2009	95,767	(1,891)	32,524	126,400
Total comprehensive income for the quarter	-	(1,814)	(423)	(2,237)
Balance at 31 March 2009	95,767	(3,705)	32,101	124,163

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 1Q ended 31 March 2010, there was no change in the issued and paid up share capital of the Company.

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.

Except as disclosed in paragraph 5 below, 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 2009.

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.

The Group adopted the new/revised Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. The following are the amended FRS that is relevant to the Group:

1.	Amendments to FRS 39	Eligible Hedged Items
2.	FRS 27 (Revised)	Consolidated and Separate Financial Statements
3.	FRS 103 (Revised)	Business Combinations

The adoption of the above did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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.

		3 months ended	
		31-Mar-10	31-Mar-09
(i)	Based on weighted average number of ordinary shares in issue - (US cents)	1.56	0.81
(ii)	On a fully diluted basis - (US cents)	1.56	0.81

Notes
1. Basic earnings per share for 1Q 2010 is computed based on 532,277,000 shares (1Q 2009: 532,277,000 shares).
2. There are no potentially dilutive ordinary shares as at 31 March 2010 and 31 March 2009 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	
	31-Mar-10	31-Dec-09	**31-Mar-10**	31-Dec-09
Net asset value per ordinary share based on issued share capital - (US cents)	**39.5**	39.0	**30.0**	28.7

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)

	3 months ended 31 March		
	2010	2009	%
	US$'000	US$'000	
Cocoa (Asia & Latin America)	**153,114**	143,998	6.3
Cocoa Europe	**98,360**	73,779	33.3
Cocoa Ingredients	**251,474**	217,777	15.5
Branded Consumer	**87,232**	63,613	37.1
REVENUE	**338,706**	281,390	20.4
Cocoa (Asia & Latin America)	**9,986**	7,745	28.9
Cocoa Europe	**1,134**	(2,409)	NM
Cocoa Ingredients	**11,120**	5,336	108.3
Branded Consumer	**11,935**	8,134	46.7
EBITDA	**23,055**	13,470	71.1
Finance Costs	**(5,834)**	(4,247)	37.4
Profit before tax	**10,572**	4,445	137.8
Net profit attributable to shareholders	**8,280**	4,313	92.0

Key Indicators by Business Segments

	3 months ended 31 March		
	2010	2009	%
Branded Consumer			
Gross Profit Margin	**30.2%**	28.5%	1.7% pt
Cocoa Ingredients			
Sales volume (MT) - Asia & Latin America	**39,225**	41,905	(6.4)
Sales volume (MT) - Europe	**22,716**	10,865	109.1
Sales volume (MT) - Division	**61,941**	52,770	17.4
Capacity utilisation - Division	88%	87%	
Capacity utilisation - Asia & Latin America	91%	88%	

	6-month moving average Year ended 31 March		
	2010	2009	%
	US$	US$	
EBITDA/metric ton - Division	**156**	107	45.8
EBITDA/metric ton - Asia & Latin America	**253**	189	33.9

Review of the Group's 1Q 2010 Performance

The strong momentum in FY 2009 carried through into the Group's 1Q 2010 financial performance with a Net Profit attributable to shareholders of US$8.3 million generated - representing a Year-on-Year (Y-o-Y) growth of 92%. The Group's Branded Consumer and Cocoa Ingredients Divisions both performed strongly with the key drivers being:

1. Higher sales volume and unit pricing achieved by our Cocoa Ingredients and Branded Consumer Divisions which generated revenues of US$338.7 million (Y-o-Y growth of 20.4%); and

2. Higher margin achieved. Our Cocoa Ingredients Division achieved EBITDA/mt of US$156/mt (up 45.8% Y-o-Y) while for our Branded Consumer Division, 1Q 2010 gross profit margin was higher by 1.7% points Y-o-Y.

Financial Performance of the Group (1Q 2010 vs. 1Q 2009)

	1Q 2010 (US$ Million)	**1Q 2009 (US$ Million)**	**% change Year on Year**
Branded Consumer	87.2	63.6	37.1%
Cocoa Ingredients	251.5	217.8	15.5%
Total Revenue	**338.7**	**281.4**	**20.4%**
Branded Consumer	11.9	8.1	46.7%
Cocoa Ingredients	11.1	5.3	108.3%
Total EBITDA	**23.1**	**13.5**	**71.1%**

Figures may not add due to rounding.

Review of the Group's 1Q 2010 Financial Performance by Divisions

Branded Consumer Division

Key Financial Highlights (1Q 2010 vs. 1Q 2009)

	1Q 2010 (US$ Million)	1Q 2009 (US$ Million)	% change Year on Year
Indonesia	60.8	43.3	40.3%
The Regional Markets	26.4	20.3	30.3%
Branded Consumer Revenue	**87.2**	**63.6**	**37.1%**
Gross Profit Margin (%)	30.2%	28.5%	+1.7% pt
EBITDA	**11.9**	**8.1**	**46.7%**

Figures may not add due to rounding.

In 1Q 2010, the Branded Consumer Division's strong performance was driven by higher sales growth for Own Brands and 3rd Party Brands and on the back of the higher margins achieved. Note that adjusted for the stronger regional currencies in 1Q 2010, the Branded Consumer Division's revenue growth was 17.9% Y-o-Y.

Revenue Performance by Markets

- **Indonesia**

For Own Brands in 1Q 2010, our key brands (eg. *SilverQueen, Cha Cha* and *Ceres Meises*) continued to generate strong double digit revenue growth as a result of our marketing initiatives and new products launched over the last 15 months. For 3rd Party Brands sales in Indonesia, the strong double digit revenue growth achieved was driven by organic growth for the existing agencies.

- **The Regional Markets of the Philippines, Malaysia and Singapore**

The regional markets formed 30.3% of the Division's 1Q 2010 revenue and achieved revenue growth of 30.3% Y-o-Y reflecting the success of the Division's strategy of growing Own Brands and 3rd Party Brands distribution in the regional markets. For Own Brands, the revenue growth achieved was on the back of the successful launch of new products and our success in gaining greater penetration into the different channels and regions. For 3rd Party Brands distribution in our regional markets, the strong revenue growth was on the back of not only new agencies secured but also from growth in existing agencies.

Profit Performance

The EBITDA growth of 46.7% Y-o-Y achieved was driven primarily by the revenue growth of Own Brands and 3rd Party Brands. In addition, in the period under review, the Branded Consumer Division's 1Q 2010 gross profit margin was higher by 1.7 percentage point over 1Q 2009. This margin improvement was driven mainly by higher Own Brands margin as a result of the price increase implemented in January 2010 and cost containment initiatives.

Cocoa Ingredients Division

Key Financial Highlights for (1Q 2010 vs 1Q 2009)

	1Q 2010		1Q 2009		YoY Change	
	Division	Asia & LA	Division	Asia & LA	Division	Asia & LA
Revenue	251.5	153.1	217.8	144.0	+ 15.5%	+ 6.3%
EBITDA	11.1	10.0	5.3	7.7	+ 108.3%	+ 28.9%
EBITDA/mt (6 months moving average) in US$	156	253	107	189	+ 45.8%	+ 33.9%
Sales volume (mt)	61,941	39,225	52,770	41,905	+ 17.4%	- 6.4%

For Cocoa Ingredients (Asia & Latin America), the strong EBITDA growth of 28.9% Y-o-Y was principally driven by the higher EBITDA yield of US$253/mt compared to 1Q 2009's US$189/mt. This higher EBITDA yield reflected higher shipment of premium products and higher pricing achieved for our premium cocoa ingredients.

With our European operations now in full commercial operations, a positive EBITDA yield was generated in 1Q 2010. To recap, our state-of-the-art cocoa ingredients processing facility in Hamburg commenced commercial production in May 2009 and we began ramping up production. During this period, we have already received quality accreditations (which are a necessary precursor to selling meaningful quantities of customized higher margin products) from some of our major customers and we are working to secure more customer approvals.

Financial strategies to minimize risks for the Group

The Group's prudent risk management strategy resulted in the following achieved in 1Q 2010:

1. Reduced reliance on short term borrowings to fund working capital requirements - The percentage of short term borrowing to total borrowings is currently at 62.8%;

2. Re-balanced debt portfolio to reduce exposure to credit refinancing risk with only US$26 million due for repayment in 2010; and

3. Secured additional facilities increasing financing headroom to US$181 million.

The Group will continue to tightly manage its risks. The table below illustrates the identified risks for the Group but more significantly, what we believe to be the mitigating factors and preventive actions.

Financial Risk Management Strategy

Liquidity Risk	▪ Reduced exposure to liquidity or refinancing risk 1. Of total loans, only 5% is due for repayment in 2010. This can be refinanced through internal cash flows 2. Of the working capital facilities, no significant amount is due for renewal ▪ Preventive action already taken: 1. Pursue alternative sources of finance 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
Credit Financing (Bank Exposure Risk)	▪ Diversified sources of credit - The Group has more than 10 banks on the panel ▪ In compliance with all debt covenants ▪ 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 contracts ▪ Credit headroom of US$181 million or 26% of available credit lines ▪ 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 flow ▪ Action taken to further strengthen the Group's cash flow generation: 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	▪ Minimize 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 (eg. Rupiah) ▪ For the Indonesian operations, the impact of currency movement on raw material purchases is managed through price increases and cost reductions

Operating Expenses

The Group's 1Q 2010 Selling & Distribution and General & Administration Expenses were higher Y-o-Y by US$5.7 million and US$1.8 million respectively. The increase in these expenses can be attributed to:

1. Higher logistics costs incurred by both divisions in line with the sales growth achieved;
2. Higher advertising and promotion spent to further strengthen our chocolate confectionery brands and to expand our product ranges/categories;
3. Increased staff cost to support the higher sales volume, new product launches (Own Brands and 3rd Party agencies) and a strong sales and distribution platform; and
4. Increased pension provision based on recent actuarial valuation.

Finance Cost

The Group's 1Q 2010 finance cost was higher Y-o-Y by US$1.6 million due to funding of higher cocoa inventories.

Review of Financial Position and Cash Flow

Balance Sheet as at	**31-Mar-10**	31-Dec-09	Change
	US$'000	US$'000	US$'000
Total Assets	**904,179**	861,545	**42,634**
Current assets	**599,554**	548,997	**50,557**
Non current assets	**304,625**	312,548	**(7,923)**
Total Borrowings	**512,830**	462,307	**50,523**
Shareholders' Equity	**210,409**	207,693	**2,716**
Net Working Capital	**123,970**	89,290	**34,680**

Shareholders' equity rose by US$2.7million to US$210.4 million mainly due to higher net profit generated. Total assets were higher by US$42.6 million which is in line with the growth of the business and higher inventories value as a result of increased bean prices.

The higher working capital needs (mainly cocoa inventories) was funded mainly by operating cash flow, trade finance and short term advances. This higher borrowings translated to net debt to equity of 2.35x (up from 2.02x at 31 December 2009). More significantly, excluding the funding for cocoa bean inventories, the adjusted net debt to equity improved to 0.62x (end-2009: 0.70x).

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 1Q 2010 results are in line with the commentary made in Paragraph 10 of the Group's 4Q 2009 and full year ended 31 December 2009 Unaudited Financial Statement and Dividend Announcement in February 2010.

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 the strong momentum for the Group's two businesses, we expect both volume growth and margin expansion to continue across all our business units and hence, strong earnings growth to be generated for FY 2010.

For the Cocoa Ingredients Division, the positive momentum should continue on the back of strong industry fundamentals driven by the industry consolidation and the outsourcing trend. For our Asia & Latin America Cocoa Ingredients business, strong demand and higher pricing for our customized cocoa ingredients should see EBITDA/mt sustained above the US$200/mt level. While for our European Cocoa Ingredients business, a better performance is expected with the Hamburg facility in full commercial operations - production is at full capacity while our customer base continues to grow as more quality accreditations are secured from customers.

For Branded Consumer Division, the strong sales momentum for our Own Brands and the 3rd Party Brands generated in 1Q 2010 is expected to continue for the rest of FY 2010. For Own Brands, the strong sales momentum will be further driven by our pipeline of new product launches planned in 2010.

During FY 2009, the Indonesian Director General of Taxation (DGT) imposed an additional tax assessment amounting to IDR 71.9 billion (approximately US$7.6 million) on PT General Food Industries (GFI), a wholly owned Indonesian subsidiary of Petra Foods Limited (PFL), pertaining to the issue of transfer pricing.

GFI is contesting this additional tax assessment on the grounds that the transfer pricing between GFI and PFL is done at arm's length based on the methods prescribed in the OECD Transfer Pricing Guidelines.

GFI has been advised by its Indonesian tax advisers that there are valid grounds to contest the additional tax assessment by DGT. Accordingly, GFI has filed an appeal with the Indonesian Tax Court (Tax Court) against this additional assessment and has not made any provision in its accounts with respect to this additional tax liability. The proceedings started in early February 2010 and at this juncture, it is too preliminary to provide an assessment of the outcome.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **No**

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? **No**

c. Date payable

Not applicable

d. Books closure date

Not applicable

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

No dividend for 1Q ended 31 March 2010 has been declared.

12. Segmental revenue and results

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 31 March 2010			
Sales:			
- Total segment sales	257,586	87,232	344,818
- Inter-segment sales	(6,112)	-	(6,112)
Sales to external parties	251,474	87,232	338,706
EBITDA	11,120	11,935	23,055
Finance costs			(5,834)
Share of profit of associated companies			121
Income tax expense			(2,292)
Minority Interest			-
Assets and liabilities			
Segment assets	682,703	203,226	885,929
Associated companies			2,576
Unallocated assets			15,674
Consolidated total assets			904,179
Segment liabilities	107,550	60,802	168,352
Unallocated liabilities			525,418
Consolidated total liabilities			693,770
Other segment information			
Depreciation and amortisation	4,442	1,907	6,349
Capital expenditure	2,126	815	2,941
Sales of Branded Consumer is analysed as:			
- Own Brands		44,900	
- Third Party		42,332	
Total		87,232	

Segmental revenue and results continued

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 31 March 2009			
Sales:			
- Total segment sales	223,027	63,613	286,640
- Inter-segment sales	(5,250)	-	(5,250)
Sales to external parties	217,777	63,613	281,390
EBITDA	5,336	8,134	13,470
Finance costs			(4,247)
Share of loss of associated companies			(170)
Income tax expense			(1,142)
Minority Interest			1,010
Assets and liabilities			
Segment assets	505,578	147,992	653,570
Associated companies			1,530
Unallocated assets			6,297
Consolidated total assets			661,397
Segment liabilities	77,744	44,289	122,033
Unallocated liabilities			338,233
Consolidated total liabilities			460,266
Other segment information			
Depreciation and amortisation	3,193	1,375	4,568
Capital expenditure	11,078	1,075	12,153
Sales of Branded Consumer is analysed as:			
- Own Brands		33,957	
- Third Party		29,656	
Total		63,613	

Geographical segments

For period ended 31 March	Revenue		Capital Expenditure	
	2010	2009	**2010**	2009
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**74,913**	48,667	**900**	816
Singapore	**18,264**	14,808	**33**	20
Philippines	**14,089**	10,843	**107**	101
Thailand	**4,762**	3,316	**15**	22
Malaysia	**19,838**	10,041	**251**	1,601
Japan	**16,198**	20,683	**-**	-
China	**5,750**	2,185	**-**	-
Middle East	**9,811**	9,219	**-**	-
Other countries in Asia	**8,142**	3,381	**-**	-
Australia	**12,136**	7,973	**-**	-
Europe	**108,034**	91,896	**1,549**	9,492
North America	**5,871**	19,952	**-**	-
South America	**31,036**	25,782	**86**	101
Africa	**9,862**	12,644	**-**	-
	338,706	281,390	**2,941**	12,153

13. Interested Person Transactions

	[1] **Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual**
	1Q 2010
	US$'000
PT Freyabadi Indotama	
- Sales of goods	2,377
- Purchase of products	3,036
	5,413
PT Tri Keeson Utama	
- Sales of goods	**5,099**
PT Fajar Mataram Sedayu	
- Sales of goods	50
- Purchase of goods	150
	200
PT Sederhana Djaja	
- Lease of properties	17
	10,729

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