

Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 2010

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.

	Notes	Group			Group		
		2Q ended 30 June			Half year ended 30 June		
		2010	2009	%	2010	2009	%
		US\$'000	US\$'000		US\$'000	US\$'000	
Sales	1	373,256	289,001	29.2	711,962	570,391	24.8
Cost of Sales	2	(324,014)	(254,856)	27.1	(621,725)	(507,217)	22.6
Gross Profit		49,242	34,145	44.2	90,237	63,174	42.8
Other operating income		(1,330)	997	NM	2,260	2,465	(8.3)
Selling and distribution costs		(20,945)	(16,352)	28.1	(40,455)	(30,186)	34.0
Administrative expenses		(8,001)	(8,214)	(2.6)	(16,404)	(14,813)	10.7
Finance costs	3	(6,222)	(4,154)	49.8	(12,056)	(8,401)	43.5
Other operating expenses		(326)	(53)	515.1	(713)	(1,255)	(43.2)
		12,418	6,369	95.0	22,869	10,984	108.2
Share of results of associated companies		(157)	229	NM	(36)	59	NM
Profit before tax	4	12,261	6,598	85.8	22,833	11,043	106.8
Income tax expense		(2,667)	(1,579)	68.9	(4,959)	(2,721)	82.2
Net Profit		9,594	5,019	91.2	17,874	8,322	114.8
Attributable to:							
Equity holders of the company		9,594	6,055	58.4	17,874	10,368	72.4
Minority Interest	5	-	(1,036)	NM	-	(2,046)	NM
		9,594	5,019	91.2	17,874	8,322	114.8
EBITDA	6	24,579	15,624	57.3	47,634	29,094	63.7
Earnings per share (US cents) - Basic and Diluted ^{a, b}		1.76	1.14	54.4	3.32	1.95	70.3
Return on equity ^c					14.7%	12.6% ^d	2.1% pt

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

b EPS is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of shares of 544,412,000 and 538,378,000 for 2Q and 1H 2010 respectively (2Q and 1H2009: 532,277,000). Refer to para 6.

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

d Relates to full year 2009 audited figures.

Explanatory notes on income statement

Note 1 - Breakdown of Sales by Division

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Cocoa Ingredients	283,307	216,947	30.6	534,781	434,724	23.0
Branded Consumer	89,949	72,054	24.8	177,181	135,667	30.6
	<u>373,256</u>	<u>289,001</u>	29.2	<u>711,962</u>	<u>570,391</u>	24.8

Note 2 - Cost of Sales

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Cost of goods sold	327,052	260,679	25.5	625,056	508,481	22.9
Cost of services	3,444	2,509	37.3	7,028	4,946	42.1
	<u>330,496</u>	<u>263,188</u>	25.6	<u>632,084</u>	<u>513,427</u>	23.1
Transfer from cash flow hedge reserve - cocoa bean and forex derivatives	(3,020)	(9,422)	(67.9)	(6,991)	(12,865)	(45.7)
Other adjustments to cost of sales:						
- Fair value gain on cocoa bean derivatives	(7,453)	(4,601)	62.0	(11,920)	(3,165)	276.6
- Fair value loss on foreign exchange derivatives	3,389	3,960	(14.4)	7,870	3,576	120.1
Net foreign exchange loss	602	1,731	(65.2)	682	6,244	(89.1)
Cost of Sales	<u>324,014</u>	<u>254,856</u>	27.1	<u>621,725</u>	<u>507,217</u>	22.6

Note 3 - Finance Costs (Net)

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Interest Expense	5,486	3,534	55.2	10,513	7,336	43.3
Transfer from cash flow hedge - interest rate swaps	771	613	25.8	1,676	1,071	56.5
	<u>6,257</u>	<u>4,147</u>	50.9	<u>12,189</u>	<u>8,407</u>	45.0
Net foreign exchange (gain) / loss	(35)	7	NM	(133)	(6)	NM
Total finance costs	<u>6,222</u>	<u>4,154</u>	49.8	<u>12,056</u>	<u>8,401</u>	43.5

Note 4 - Profit before Income Tax

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

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment	(5,738)	(4,814)	19.2	(11,973)	(9,265)	29.2
Amortisation of intangible assets	(105)	(110)	(4.5)	(219)	(227)	(3.5)
Net foreign exchange gain/(loss)	1,830	(1,212)	NM	97	(5,744)	NM
(Under)/Over provision of tax in prior years	(7)	136	NM	257	318	(19.2)
Gain on disposal of property, plant and equipment	317	18	NM	384	22	NM
Impairment loss on trade receivables	(4)	(53)	(92.5)	(25)	(53)	(52.8)
Inventories written off	(535)	(246)	117.5	(762)	(484)	57.4
Allowance made for inventory obsolescence	(696)	(241)	188.8	(1,299)	(405)	220.7

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 the remaining 32% of the issued share capital of Petra Armajaro Holdings Pte Ltd from its minority shareholder.

Note 6 - EBITDA

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Profit Before Tax	12,261	6,598	85.8	22,833	11,043	106.8
Interest expense	6,257	4,147	50.9	12,188	8,407	45.0
Fair value loss on interest rate derivatives	238	(20)	NM	490	214	129.0
Interest income	(20)	(25)	(20.0)	(69)	(62)	11.3
Depreciation of property, plant and equipment	5,738	4,814	19.2	11,973	9,265	29.2
Amortisation of intangible assets	105	110	(4.5)	219	227	(3.5)
EBITDA	24,579	15,624	57.3	47,634	29,094	63.7

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.

	Notes	Group		Company	
		30-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	40,300	18,338	32,674	6,759
Derivative assets		8,613	4,509	6,256	4,087
Trade receivables		154,946	134,022	268,040	183,034
Inventories	2	451,102	354,796	7,705	7,066
Tax recoverable		9,471	5,323	-	-
Other current assets		35,217	32,009	19,642	17,806
Receivables from subsidiaries		-	-	10,000	10,000
		699,649	548,997	344,317	228,752
Non-current assets					
Investments in subsidiaries	3	-	-	116,302	103,114
Investments in associated companies		2,425	2,363	3,000	3,000
Receivables from subsidiaries		-	-	57,990	54,519
Loans to associated company		2,405	2,411	-	-
Property, plant and equipment	4	249,814	270,049	1,431	1,134
Intangibles assets		20,785	22,032	1,784	1,784
Deferred income tax assets		14,426	14,805	-	-
Other non-current assets		752	888	29	-
		290,607	312,548	180,536	163,551
Total Assets		990,256	861,545	524,853	392,303
LIABILITIES					
Current liabilities					
Trade payables		133,571	115,028	64,124	34,246
Other payables		36,953	38,326	18,648	10,545
Current income tax liabilities		4,062	4,815	1,195	2,116
Derivative liabilities		7,655	5,607	6,727	5,257
Borrowings	5	314,354	295,931	138,332	85,430
		496,595	459,707	229,026	137,594
Non-current liabilities					
Borrowings	5	199,962	166,376	79,320	101,102
Deferred income tax liabilities		6,742	7,046	728	1,051
Provisions for other liabilities and charges		9,150	8,347	-	-
		215,854	181,769	80,048	102,153
Total liabilities		712,449	641,476	309,074	239,747
NET ASSETS		277,807	220,069	215,779	152,556
Capital and reserves attributable to the Company's equity holders					
Share capital	1	156,075	95,767	156,075	95,767
Foreign currency translation reserve		(6,227)	(3,079)	-	-
Other reserves		5,779	5,270	4,060	4,903
Retained earnings		122,180	109,735	55,644	51,886
		277,807	207,693	215,779	152,556
Minority interests		-	12,376	-	-
Total equity		277,807	220,069	215,779	152,556

Explanatory notes on statement of Financial Position

Note 1 - Share Capital

On 16 June 2010, the Company issued and allotted 78,880,000 new shares at S\$1.08 per share. Total net proceeds of S\$84.0 million (or US\$60.3 million) was raised (see para 1d(ii)).

The net proceeds raised are intended to provide the Group with greater financial capacity to pursue strategic growth opportunities and increase financial resources for its current operations. About 50% of the net proceeds will be used to pursue strategic alliances, mergers and acquisitions, joint ventures and investments as and when they may arise. The balance of net proceeds has been used for working capital and general corporate purposes of the Group.

Note 2 - Inventories

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

	30 June 2010	31 December 2009
	<u>US\$'000</u>	<u>US\$'000</u>
Cocoa Ingredients	399,359	296,163
Branded Consumer	51,743	58,633
	<u>451,102</u>	<u>354,796</u>

Note 3 - Investment in Subsidiaries

On 29 January 2010, the Company acquired the remaining 32% of the issued share capital of Petra Armajaro Holding Pte Ltd from its minority shareholder for a consideration of Euro 9 million (US\$14 million). The acquisition was paid in cash.

Note 4 - Property, Plant and Equipment

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

	2Q 2010	2Q 2009	Change	1H 2010	1H 2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Cocoa Ingredients	1,882	12,313	(84.7)	4,008	23,391	(82.9)
Branded Consumer	2,073	4,512	(54.1)	2,888	5,587	(48.3)
	<u>3,955</u>	<u>16,825</u>	<u>(76.5)</u>	<u>6,896</u>	<u>28,978</u>	<u>(76.2)</u>

Note 5 - Borrowings

	Group		Company	
	30-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank overdraft	19,423	46,384	321	580
Bank borrowings	102,413	125,093	22,744	23,163
Medium Term Notes ("MTN")	90,809	83,584	90,809	83,584
Finance lease liabilities	1,698	1,771	594	335
Trade finance and short term advances	299,973	205,475	103,184	78,870
	514,316	462,307	217,652	186,532
Breakdown of borrowings:				
Current	314,354	295,931	138,332	85,430
Non current	199,962	166,376	79,320	101,102
	514,316	462,307	217,652	186,532

To fund the higher inventories as disclosed in Note 1, the Group utilised additional borrowings of US\$52 million, of which a portion was committed for a longer tenure. This reflected the Group's ongoing initiatives to manage liquidity risks by extending its debt maturity profile to match the financing and investment needs of business, as well as to reduce refinancing risk of short term working capital facilities.

Note 6 - Key Ratios

	Group	
	30-Jun-10	31-Dec-09
Net Debt to Equity	1.71 x	2.02 x
Adjusted Net Debt to Equity*	0.30 x	0.70 x
Current Ratio	1.41 x	1.19 x
Average Inventory Days	118	95
Average Receivable Days	37	33

* Note: The Adjusted Net Debt to Equity Ratio is computed excluding the 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 higher beans (seasonal) and cocoa inventories compounded by the higher cocoa bean prices. The Accounts 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	
	30-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
Amount repayable in one year or less, or on demand				
- Secured	71,923	105,604	144	132
- Unsecured	242,431	190,327	138,188	85,298
	314,354	295,931	138,332	85,430
Amount repayable after one year				
- Secured	106,111	43,987	450	203
- Unsecured	93,851	122,389	78,870	100,899
	199,962	166,376	79,320	101,102

Details of collateral

Of the Group's total borrowings, US\$178 million are secured on trade receivables, inventories, property, plant and equipment, and legal mortgages of land and properties.

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

	Notes	Half year ended	
		30-Jun-10	30-Jun-09
		<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities			
Profit before tax		22,833	11,043
Adjustments:			
Depreciation and amortization		12,192	9,492
Property, plant and equipment written off		173	-
Gain on disposal of property, plant and equipment		(384)	(22)
Interest (income)		(69)	(62)
Interest expense		12,189	8,407
Fair value of derivatives		(1,324)	(4,588)
Net foreign exchange gain		(133)	(6)
Share of loss/(gain) from associated companies		36	(59)
Operating cash flow before working capital changes		<u>45,513</u>	<u>24,205</u>
Change in working capital			
Inventories		(96,306)	(54,370)
Trade and other receivables		(22,793)	(17,158)
Trade and other payables		17,973	58,488
Cash (used in)/generated from operations		<u>(55,613)</u>	<u>11,165</u>
Interest received		69	62
Income tax paid		(11,995)	(5,171)
Net cash provided by operating activities		<u>(67,539)</u>	<u>6,056</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(6,431)	(28,978)
Acquisition of remaining interest in a subsidiary	Para 1a(i) Note 5	(13,187)	-
Payments for patents & trademarks		(29)	(19)
Proceeds from disposals of property, plant and equipment		472	60
Net cash used in investing activities		<u>(19,175)</u>	<u>(28,937)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	Para 1d(ii)	60,308	-
Proceeds from term loans		217	21,477
Proceeds from trade finance and short term advances		94,498	42,560
Proceeds from issuance of Medium Term Note		7,179	-
Repayments of term loans		(15,609)	(10,132)
Repayment of lease liabilities		(542)	(433)
Interest paid		(12,189)	(8,361)
Dividend paid to equity holders of company		(5,429)	(5,429)
Net cash provided by financing activities		<u>128,433</u>	<u>39,682</u>
Net increase in cash and cash equivalents		41,719	16,801
Cash and cash equivalents			
Beginning of financial period		(28,046)	(14,301)
Effects of currency translation on cash and cash equivalents		7,204	342
End of financial period		<u>20,877</u>	<u>2,842</u>

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

	Period ended	
	30-Jun-10	30-Jun-09
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	40,300	36,469
Less: Bank overdrafts	(19,423)	(33,627)
	<u>20,877</u>	<u>2,842</u>

Consolidated Statement of Comprehensive Income

	2Q ended 30 June		Half year ended 30 June	
	2010	2009	2010	2009
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the period	<u>9,594</u>	<u>5,019</u>	<u>17,874</u>	<u>8,322</u>
Fair value gains on cash flow hedges	9,434	2,450	7,211	3,182
Transfers to income statement	(2,213)	(11,763)	(5,279)	(11,435)
Tax on fair value adjustments	(1,446)	2,740	(612)	2,082
	5,775	(6,573)	1,320	(6,171)
Currency translation gain/(loss)	(2,850)	9,814	(3,148)	3,993
Other comprehensive expense for the period	2,925	3,241	(1,828)	(2,178)
Total comprehensive (expense)/income for the period	<u>12,519</u>	<u>8,260</u>	<u>16,046</u>	<u>6,144</u>
Attributable to:				
Shareholders of the Company	12,519	10,723	16,046	10,886
Minority interests	-	(2,463)	-	(4,742)
	<u>12,519</u>	<u>8,260</u>	<u>16,046</u>	<u>6,144</u>

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							
	<u>Share capital</u>	<u>Foreign currency translation reserve</u>	<u>Cash flow hedge reserve</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Minority interest</u>	<u>Total equity</u>
	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
2Q 2010								
At 1 April 2010	95,767	(3,377)	(804)	808	118,015	210,409	-	210,409
Total comprehensive income for the quarter	-	(2,850)	5,775	-	9,594	12,519	-	12,519
Issue of shares	61,143	-	-	-	-	61,143	-	61,143
Share Issue Expenses	(835)	-	-	-	-	(835)	-	(835)
Final dividend relating to 2009	-	-	-	-	(5,429)	(5,429)	-	(5,429)
At 30 June 2010	156,075	(6,227)	4,971	808	122,180	277,807	-	277,807
The Group								
1Q 2009								
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)
At 31 March 2009	95,767	(16,947)	2,925	1,538	100,442	183,725	17,406	201,131
2Q 2009								
At 1 April 2009	95,767	(16,947)	2,925	1,538	100,442	183,725	17,406	201,131
Total comprehensive income for the quarter	-	8,494	(3,826)	-	6,055	10,723	(2,463)	8,260
Final dividend relating to 2008	-	-	-	-	(5,429)	(5,429)	-	(5,429)
At 30 June 2009	95,767	(8,453)	(901)	1,538	101,068	189,019	14,943	203,962

Statement of Changes in Equity for the Company

	<u>Attributable to equity holders of the Company</u>			
	<u>Share capital</u>	<u>Cash flow hedge reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>The Company</u>				
<u>1Q 2010</u>				
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
<u>2Q 2010</u>				
At 1 April 2010	95,767	2,334	61,636	159,737
Total comprehensive income for the quarter	-	1,726	(563)	1,163
Issue of shares	61,143	-	-	61,143
Share issue expenses	(835)	-	-	(835)
Final dividend relating to 2009	-	-	(5,429)	(5,429)
At 30 June 2010	156,075	4,060	55,644	215,779
<u>The Company</u>				
<u>1Q 2009</u>				
At 1 January 2009	95,767	(1,891)	32,524	126,400
Total comprehensive income for the quarter	-	(1,814)	(423)	(2,237)
At 31 March 2009	95,767	(3,705)	32,101	124,163
<u>2Q 2009</u>				
At 1 April 2009	95,767	(3,705)	32,101	124,163
Total comprehensive income for the quarter	-	1,990	2,995	4,985
Final dividend relating to 2008	-	-	(5,429)	(5,429)
At 30 June 2009	95,767	(1,715)	29,667	123,719

- 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.**

On the 16 June 2010, the Company issued and allotted 78,880,000 new ordinary shares at an issue price of S\$1.08 per share for cash. The newly issued shares rank pari-passu with previously issued shares. Post the new share issuance, the Company's issued share capital increased from 532,277,000 to 611,157,000.

The Shares were issued pursuant to the general share issue mandate granted by shareholders of the Company to the Directors pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, at its annual general meeting held on 28 April 2010. The aggregate number of the new shares represented 14.8% of the total number of the issued share capital of the Company as at 28 April 2010.

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.**

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 are 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.

	2Q ended 30 June		Half year ended 30 June	
	2010	2009	2010	2009
(i) Based on weighted average number of ordinary shares in issue - (US cents)	1.76	1.14	3.32	1.95
(ii) On a fully diluted basis - (US cents)	1.76	1.14	3.32	1.95

Notes

- Basic earnings per share for 2Q and 1H 2010 is computed based on weighted average number of shares of 544,412,000 and 538,378,000 respectively (2Q & 1H 2009: 532,277,000 shares) after taking into account changes in share capital as disclosed in para 1(d)(ii).
- There are no potentially dilutive ordinary shares as at 30 June 2010 and 30 June 2009.

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:

- current period reported on; and
- immediately preceding financial year.

	Group		Company	
	30-Jun-10	31-Dec-09	30-Jun-10	31-Dec-09
Net asset value per ordinary share based on issued share capital - (US cents)	45.5	39.0	35.3	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)

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	%	2010	2009	%
	<u>US\$'000</u>	<u>US\$'000</u>		<u>US\$'000</u>	<u>US\$'000</u>	
Cocoa Ingredients	283,307	216,947	30.6	534,781	434,724	23.0
Branded Consumer	89,949	72,054	24.8	177,181	135,667	30.6
REVENUE	373,256	289,001	29.2	711,962	570,391	24.8
Cocoa Ingredients	12,511	6,570	90.5	23,631	11,906	98.5
Branded Consumer	12,068	9,054	33.3	24,003	17,188	39.6
EBITDA	24,579	15,624	57.3	47,634	29,094	63.7
Finance Costs	(6,222)	(4,154)	49.8	(12,056)	(8,401)	43.5
Profit before tax	12,261	6,598	85.8	22,833	11,043	106.8
Net profit attributable to shareholders	9,594	6,055	58.4	17,874	10,368	72.4

Key Indicators by Business Segments

	2Q ended 30 June			Half year ended 30 June		
	2010	2009	%	2010	2009	%
Branded Consumer						
Gross Profit Margin	30.3%	28.2%	2.1 pt	30.2%	28.3%	1.9 pt
Cocoa Ingredients						
Sales volume (MT)	57,181	52,847	8.2	119,122	105,617	12.8
Capacity utilisation				87.8%	80.4%	7.4 pt
EBITDA/metric ton (6-month moving average)				198	113	75.2

Review of the Group's 2Q 2010 and 1H 2010 Performance

The Group achieved Net Profit of US\$9.6 million in 2Q 2010 and US\$17.9 million in 1H 2010, representing Year-on-Year ("Y-o-Y") growth of 58.4% and 72.4% respectively. The strong profit performance can be attributed to the following:

1. Higher sales volume and unit pricing achieved by our Cocoa Ingredients and Branded Consumer Divisions which generated 1H 2010 revenues of US\$712.0 million (Y-o-Y growth of 24.8%); and
2. Higher margin and yield achieved in 1H 2010. Our Cocoa Ingredients Division achieved EBITDA/mt of US\$198/mt (up 75.2% Y-o-Y) while for our Branded Consumer Division, 1H 2010 gross profit margin was higher by 1.9 percentage points Y-o-Y.

Key Financial Highlights of the Group

	2Q 2010 (US\$ Million)	2Q 2009 (US\$ Million)	% change Year on Year	1H 2010 (US\$ Million)	1H 2009 (US\$ Million)	% change Year on Year
Branded Consumer	89.9	72.1	24.8%	177.2	135.7	30.6%
Cocoa Ingredients	283.3	216.9	30.6%	534.8	434.7	23.0%
Total Revenue	373.3	289.0	29.2%	712.0	570.4	24.8%
Branded Consumer	12.1	9.0	33.3%	24.0	17.2	39.6%
Cocoa Ingredients	12.5	6.6	90.5%	23.6	11.9	98.5%
Total EBITDA	24.6	15.6	57.3%	47.6	29.1	63.7%

Figures may not add due to rounding.

Review of the Group's 2Q 2010 and 1H 2010 Financial Performance by Divisions

Branded Consumer Division

Key Financial Highlights

	2Q 2010 (US\$ Million)	2Q 2009 (US\$ Million)	% change Year on Year	1H 2010 (US\$ Million)	1H 2009 (US\$ Million)	% change Year on Year
Indonesia	60.7	46.2	31.6%	121.5	89.5	35.8%
The Regional Markets	29.2	25.9	12.8%	55.7	46.2	20.5%
Branded Consumer Revenue	89.9	72.1	24.8%	177.2	135.7	30.6%
Gross Profit Margin (%)	30.3%	28.2%	+ 2.1% pt	30.2%	28.3%	+ 1.9% pt
EBITDA	12.1	9.0	33.3%	24.0	17.2	39.6%

Figures may not add due to rounding.

Following the momentum in 1Q 2010, the Branded Consumer Division generated continued strong sales performance in 2Q 2010 resulting in 1H 2010 revenue growth of 30.6% Y-o-Y achieved. The strong performance was driven by high sales growth for Own Brands and 3rd Party Brands. Note that adjusted for the stronger regional currencies in 1H 2010, the Branded Consumer Division's revenue growth was 13% Y-o-Y.

Revenue Performance by Markets

- **Indonesia**

Our key brands (eg. *SilverQueen*, *Cha Cha* and *Ceres Meises*) in 1H 2010 continued to generate double digit revenue growth as a result of the stronger domestic economy, our marketing initiatives and new products launched over the last 18 months. For 3rd Party Brands sales, the strong double digit revenue growth was driven mainly by organic growth achieved by existing agencies.

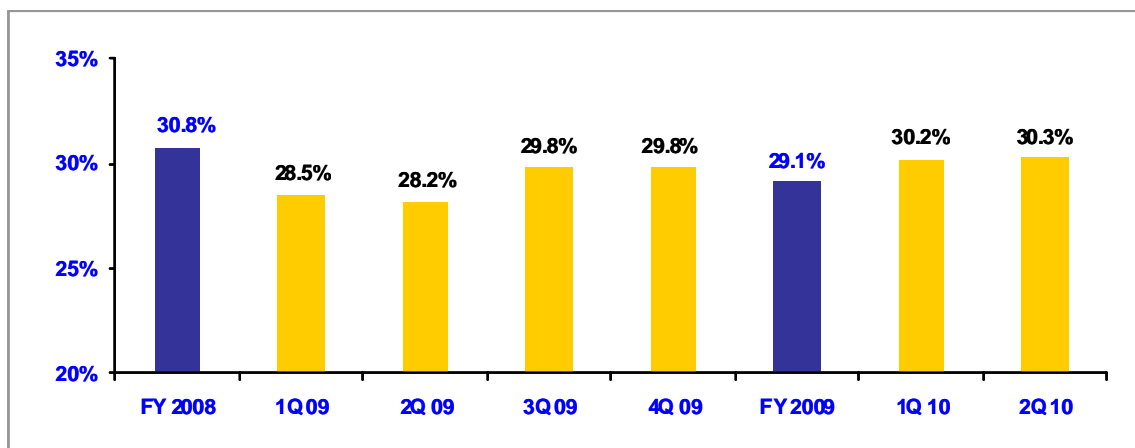
- **The Regional Markets of the Philippines, Malaysia and Singapore**

Regional markets formed 31.4% of the Division's 1H 2010 revenue with Own Brands achieving revenue growth of 27.7% Y-o-Y, reflecting the stronger domestic economies and the success of the Division's strategy of growing Own Brands. 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 and our success in gaining greater penetration into the different channels and regions.

Profit Performance

The 1H 2010 EBITDA growth of 39.6% Y-o-Y was driven primarily by the revenue growth of Own Brands and 3rd Party Brands, the higher margin achieved and the stronger regional currencies.

Branded Consumer Division's Gross Profit Margin Trend



The Branded Consumer Division's 1H 2010 gross profit margin was higher by 1.9 percentage point over 1H 2009 driven mainly by higher Own Brands margin as a result of the price increase implemented in January 2010 and cost containment initiatives. Furthermore, the strong local currency appreciation, especially for the Indonesian Rupiah, in 1H 2010 translated to lower input costs.

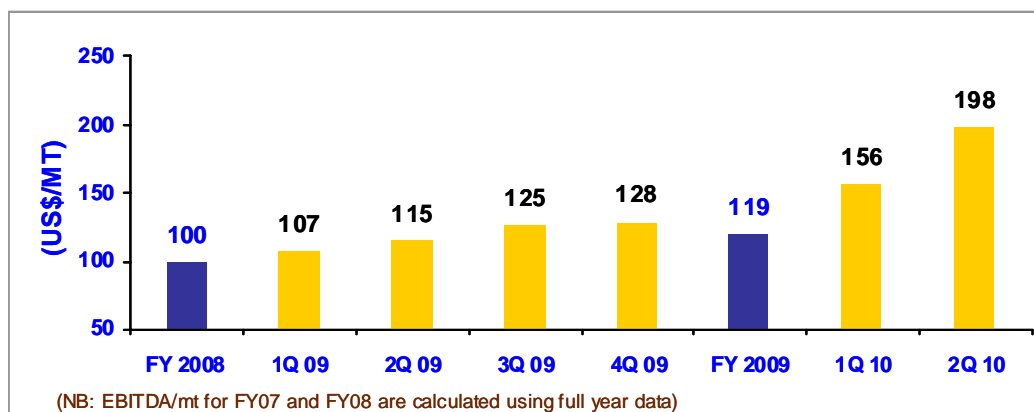
Cocoa Ingredients Division

Key Financial Highlights

	2Q 2010 (US\$ Million)	2Q 2009 (US\$ Million)	% change Year on Year	1H 2010 (US\$ Million)	1H 2009 (US\$ Million)	% change Year on Year
Revenue	283.3	216.9	30.6%	534.8	434.7	23.0%
EBITDA	12.5	6.6	90.5%	23.6	11.9	98.5%
EBITDA/mt (6 months moving average) in US\$	198	113	75.2%	198	113	75.2%
Sales volume (mt)	57,181	52,847	8.2%	119,122	105,617	12.8%

For Cocoa Ingredients Division, the strong 1H 2010 EBITDA growth of 98.5% Y-o-Y was due to the higher sales volume and the higher EBITDA yield achieved. All regions contributed to the significantly higher 1H 2010 EBITDA yield of US\$198/mt, up 75.2%. This higher EBITDA yield reflected higher shipment of premium products, higher pricing achieved for our premium cocoa ingredients and Europe's throughout.

Cocoa Ingredients Division's EBITDA/mt of Sales Volume (6-month moving average)



The key drivers of volume growth are continued strong demand from global customers and new customers secured.

With our European operations now in full commercial operations, continued improvement in EBITDA yield was achieved with a positive EBITDA yield generated in 1H 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.

Operating Expenses

The Group's 2Q 2010 and 1H 2010 operating expenses were higher by US\$4.4 million and US\$11.9 million Y-o-Y respectively, with the majority of the increase from Selling and Distribution Expenses. Details of the increase are set out below:

1. Higher logistics costs incurred by both divisions to support sales growth;
2. Increased advertising and promotion expenditure by our Branded Consumer Division to support brand building and expansion of product ranges; and
3. Increased staff cost to support the higher sales volume, new product launches for both Own Brands and 3rd Party agencies and to build on a strong sales and distribution platform.

Finance Cost

Finance cost for 2Q 2010 and 1H 2010 were higher by US\$2.1 million and US\$3.7 million Y-o-Y respectively as a result of higher borrowing level to finance cocoa bean inventory.

Review of Financial Position and Cash Flow

Balance Sheet as at	30-Jun-10	31-Dec-09	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Total Assets	990,256	861,545	128,711
Current assets	699,649	548,997	150,652
Non current assets	290,607	312,548	(21,941)
Total Borrowings	514,317	462,307	52,010
Shareholders' Equity	277,807	207,693	70,114
Working Capital	203,054	89,290	113,764

Shareholders' Equity in the period were higher by US\$70.1 million as a result of:

1. The higher 1H 2010 Group profit generated; and
2. The equity placement which raised net proceeds of US\$60.3 million.

These strengthened the Group's financial position as reflected by the improvement in gearing ratios for net debt to equity ratio from 2.02 x to 1.71 x and adjusted net debt to equity ratio from 0.70 x to 0.30 x.

In line with the expanded business, total assets was up US\$128.7 million, mainly due to higher working capital, namely:

1. Additional receivables of US\$20.9 million which is in line with revenue growth; and
2. Increased inventories of US\$96.3 million coming from higher bean (seasonal) and cocoa inventories compounded by surge in bean prices.

Higher working capital was funded through a combination of operating cash flow, MTN, trade finance and short term advances.

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 2Q 2010 and 1H 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.

We expect the Group to generate strong earnings growth for FY 2010 with the strong 1H 2010 momentum to continue into 2H 2010 driven by volume and sales growth.

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. With a substantial portion of 2010's capacity already committed by our customers, we expect the strong 1H 2010 momentum to continue into the 2nd Half.

For Branded Consumer Division, the strong sales momentum for our Own Brands and the 3rd Party Brands generated in 1H 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 2H 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? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.60 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A.

As the Directors are confident of the Group's long term growth prospects, an interim dividend of 1.17 US cents (or 1.60 Singapore cents) per share is declared based on the enlarged 611,157,000 ordinary shares in issue.

Together with the final dividend of 1.02 US cents (or 1.43 Singapore cents) paid on 20 May 2010, the total cash distributions received by shareholders this year will amount to 2.19 US cents (or 3.03 Singapore cents) per share in 2010.

b. Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.48 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A.

c. Date payable

The dividend is payable 17 September 2010.

d. Books closure date

NOTICE IS HEREBY GIVEN that, the Transfer Books and the Register of Members of the Company will be closed at 5:00 p.m. on 31 August 2010 (**Books Closure Date**) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 before 5:00 p.m. on the Books Closure Date will be registered to determine shareholders' entitlements to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (**CDP**), the interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim dividend entitlements to the CDP account holders in accordance with its normal practice.

The interim dividend will be paid on 17 September 2010.

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

Not applicable.

12. Segmental revenue and results

	Cocoa Ingredients	Branded Consumer	Total
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
1H ended 30 June 2010			
Sales:			
- Total segment sales	545,603	177,181	722,784
- Inter-segment sales	<u>(10,822)</u>	<u>-</u>	<u>(10,822)</u>
Sales to external parties	<u>534,781</u>	<u>177,181</u>	<u>711,962</u>
 EBITDA	 23,631	 24,003	 47,634
 Finance costs			 (12,056)
Share of profit of associated companies			(36)
Income tax expense			(4,959)
 Assets and liabilities			
Segment assets	768,151	205,253	973,404
Associated companies			2,425
Unallocated assets			<u>14,427</u>
Consolidated total assets			<u>990,256</u>
 Segment liabilities	 127,853	 59,475	 187,328
Unallocated liabilities			<u>525,121</u>
Consolidated total liabilities			<u>712,449</u>
 Other segment information			
Depreciation and amortisation	8,675	3,517	12,192
Capital expenditure	4,008	2,888	6,896
 Sales of Branded Consumer is analysed as:			
- Own Brand		86,399	
- Third Party		<u>90,782</u>	
Total		<u>177,181</u>	

Segmental revenue and results continued

	Cocoa Ingredients	Branded Consumer	Total
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
1H ended 30 June 2009			
Sales:			
- Total segment sales	445,225	135,667	580,892
- Inter-segment sales	<u>(10,501)</u>	<u>-</u>	<u>(10,501)</u>
Sales to external parties	<u>434,724</u>	<u>135,667</u>	<u>570,391</u>
 EBITDA	 11,906	 17,188	 29,094
 Finance costs			 (8,401)
Share of profit of associated companies			59
Income tax expense			(2,721)
Minority Interest			2,046
 Assets and liabilities			
Segment assets	567,233	179,428	746,661
Associated companies			1,937
Unallocated assets			<u>11,179</u>
Consolidated total assets			<u>759,777</u>
 Segment liabilities	 117,553	 50,746	 168,299
Unallocated liabilities			<u>387,516</u>
Consolidated total liabilities			<u>555,815</u>
 Other segment information			
Depreciation and amortisation	6,709	2,783	9,492
Capital expenditure	23,391	5,587	28,978
 Sales of Branded Consumer is analysed as:			
- Own Brand		67,072	
- Third Party		<u>68,595</u>	
Total		<u>135,667</u>	

Geographical segments

For period ended 30 June	Revenue		Capital expenditure	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	149,059	103,237	2,835	5,692
Singapore	36,329	34,475	676	45
Philippines	26,732	20,505	304	171
Thailand	9,834	5,785	95	93
Malaysia	42,382	26,131	361	2,911
Japan	33,358	39,287	-	-
China	14,271	7,328	-	-
Middle East	27,208	15,345	-	-
Other countries in Asia	14,511	7,469	-	-
Australia	23,899	17,935	-	-
Europe	226,436	195,601	2,396	19,853
North America	22,973	34,071	-	-
South America	66,349	46,922	229	213
Africa	18,621	16,300	-	-
	711,962	570,391	6,896	28,978

13. Interested Person Transactions

	¹ Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2Q 2010	Half year 2010
	<u>US\$'000</u>	<u>US\$'000</u>
PT Freyabadi Indotama		
- Sales of goods	2,517	4,894
- Purchase of products	3,119	6,155
	5,636	11,049
PT Tri Keeson Utama		
- Sales of goods	2,516	7,615
PT Fajar Mataram Sedayu		
- Sales of goods	53	103
- Purchase of goods	135	284
	188	387
PT Sederhana Djaja		
- Lease of properties	17	34
	8,357	19,085

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