

PETRA FOODS
LIMITED
(Registration no. 198403096C)

2nd Quarter & 1st Half 2010
Financial Results
(unaudited)

12 August 2010



Important note on forward-looking statements

The presentation herein may contain forward looking statements by the management of Petra Foods Limited (“Petra”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange rate fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Petra. Therefore, the actual performance of Petra may differ significantly from expressions provided herein.

Scope of Briefing

- Introduction
- 1H 2010's Key Highlights
- Strong 1H 2010 Financial Performance
- Key Drivers of Strong 1H 2010 Performance
- Continued Improvement in Cash Flow/Liquidity
- Outlook for 2010
- Appendices
 - Petra's Investment Highlights
 - Successfully Diversified Group Revenue Geographically
 - Strict Hedging minimises impact to EBITDA yield
 - Financial Highlights
 - Branded Consumer Division
 - Cocoa Ingredients Division

- **Major global economies are on the road to recovery, but it is still fragile, while currencies and commodity prices remain volatile**
 - Cocoa bean price recently hit highest level in 33 years

- **More significantly, cocoa and chocolate consumption is recovering globally**
 - Strong 1H 2010 growth in cocoa grinding - Europe ▲ 10% YoY and USA ▲ 14% YoY
 - Strong chocolate sales in China, Indonesia, India, Brazil and Middle East
 - Consumption growth trend is expected to continue

1H 2010's Key Highlights

- **Strong 1H 2010 performance as we continue growing our Cocoa Ingredients globally and Branded Consumer regionally**
 - **Cocoa Ingredients**
 - ✓ Our Cocoa Ingredients business model enables us to deal with situations of price volatility
 - (i) Cost pass-through model
 - (ii) Global provider of high quality customised cocoa ingredients
 - **Branded Consumer**
 - ✓ Strong growth in our main markets supported by the stronger economies/currencies and consumer consumption
- **Strengthened our financial position**
 - Placed 78.9 million new shares to raise US\$60 million
 - Increased financial headroom to US\$222 million from additional bank facilities
- **Formed PACTS Joint Venture to increase our sourcing of high quality cocoa beans from Ivory Coast and improve supply chain traceability**

Strong 1H 2010 Financial Performance

- **EBITDA** **US\$47.6 million** ▲ **63.7%** (2Q EBITDA US\$24.6 million ▲ 57%)
- **Net Profit** **US\$18.0 million** ▲ **72.4%** (2Q Net Profit US\$9.6 million ▲ 58%)

- ❖ **Interim Dividend of 1.17 US cents per share declared (vs 1.02 US cents previously) - ▲ 15% YoY**

Key Drivers of Strong 1H 2010 Performance

- ❖ In 1H 2010, we achieved both higher sales volume and unit pricing for both our businesses
- **Cocoa Ingredients Division** - Sales ▲23% to US\$535 million; EBITDA ▲99% to US\$24 million
 - The Division achieved EBITDA/mt of US\$198/mt (▲75% YoY) - All regions (in particular Europe) achieved higher EBITDA/mt
- **Branded Consumer Division** - Sales ▲31% to US\$177 million; EBITDA ▲40% to US\$24 million
 - Strong sales growth driven by our aggressive marketing initiatives
 - Higher 1H 2010 margin achieved - Gross Profit Margin ▲1.9% points YoY driven by higher margin for Own Brands
 - ✓ Margin expansion from price increase for Own Brands and benefit of the stronger Indonesian Rupiah
- ❖ **Our Twin Engines of growth driving the Group's profit growth**

Continued Improvement in Cash Flow/Liquidity

- **Generated Free Cash Flow of US\$9.9 million**
 - Strong operating Cash Flow of US\$28.9 million and lower capital expenditure incurred
 - ✓ 1H 2010 capital expenditure of US\$7 million compared to US\$29 million previously
 - In line with our target

- **The US\$60 million equity placement resulted in improvement in gearing ratios**
 - Net debt/equity ratio - Improved from 2.02 x to 1.71 x
 - Adjusted¹ net debt/equity ratio - Improved from 0.70 x to 0.30 x
 - Of the net proceeds raised, US\$27 million was used to repay working capital facilities

¹ Excluding trade finance and MTN for financing of cocoa beans

- **We expect the Group to deliver record earnings in FY 2010**
 - **Strong earnings momentum for our Business units to carry through to 2H 2010 driven by continued volume and sales growth**
 - ✓ For Cocoa Ingredients, a substantial portion of 2010's capacity already committed by our customers
 - ✓ For Branded Consumer, our aggressive marketing, promotion and channel development initiatives, together with a strong pipeline of new product launches planned, will drive strong consumer demand

Thank You

Appendices

Petra's Investment Highlights

Quality Earnings

Branded Consumer

- Dominant market share and strong brand equity
- Extensive distribution network
- Well positioned to capture regional chocolate consumption growth

Cocoa Ingredients

- Strong earnings fundamentals driven by:
 - (a) Well established customer base
 - (b) Compelling outsourcing trend
 - (c) Scalability of growth model

Business Model that Mitigates Risk

- Product customization and partnerships with customers build barriers to entry
- The key for Cocoa Ingredients division is to focus on Value Add and build partnerships with its customers
- Strict adherence to risk management practices mitigates exposure to cocoa bean price fluctuations

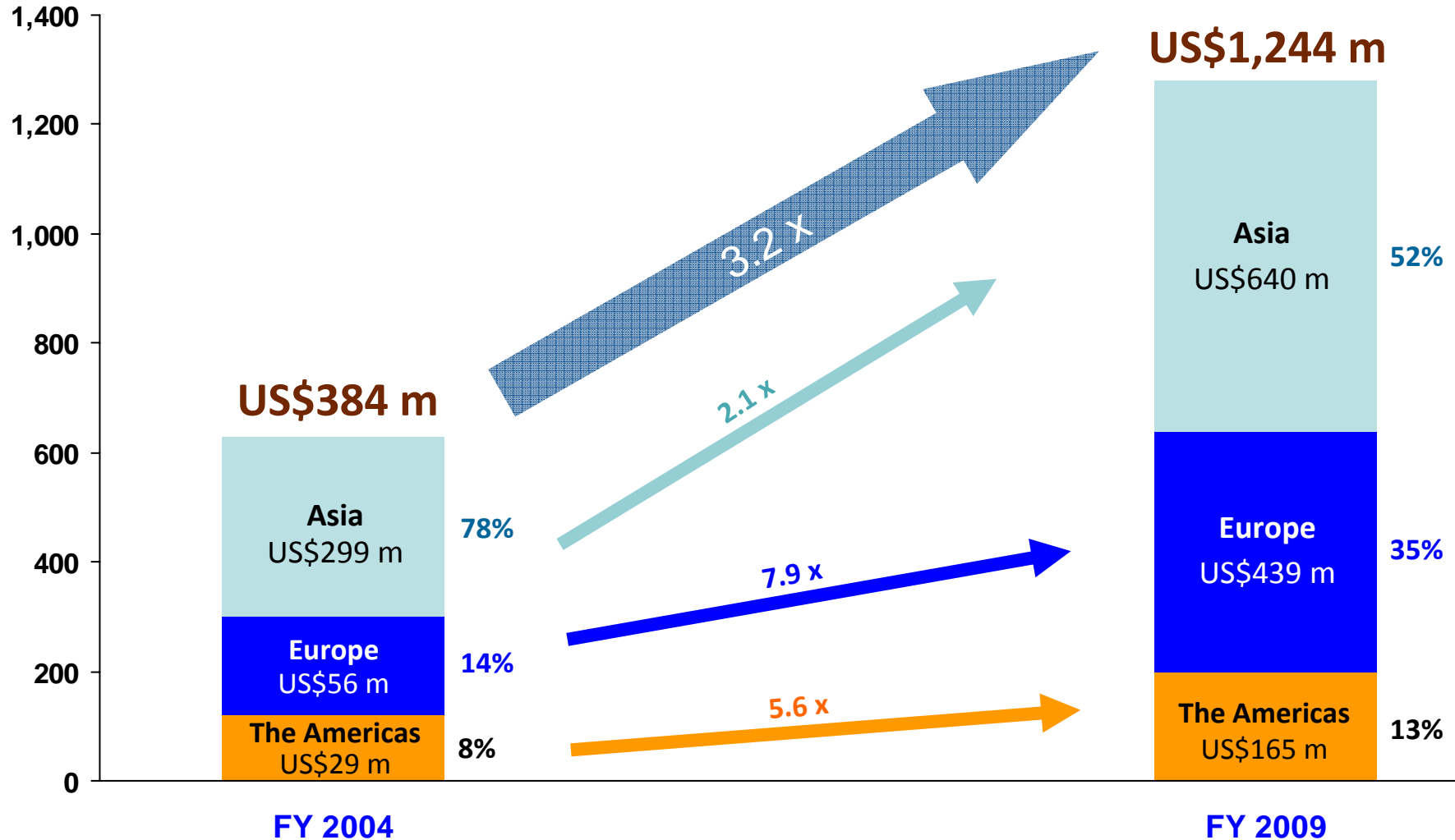
Strong Management Team

- Diverse team with international F&B and MNC experience
- Proven track record in executing growth strategy

A business model with two quality earnings streams

Successfully diversified Group revenue geographically

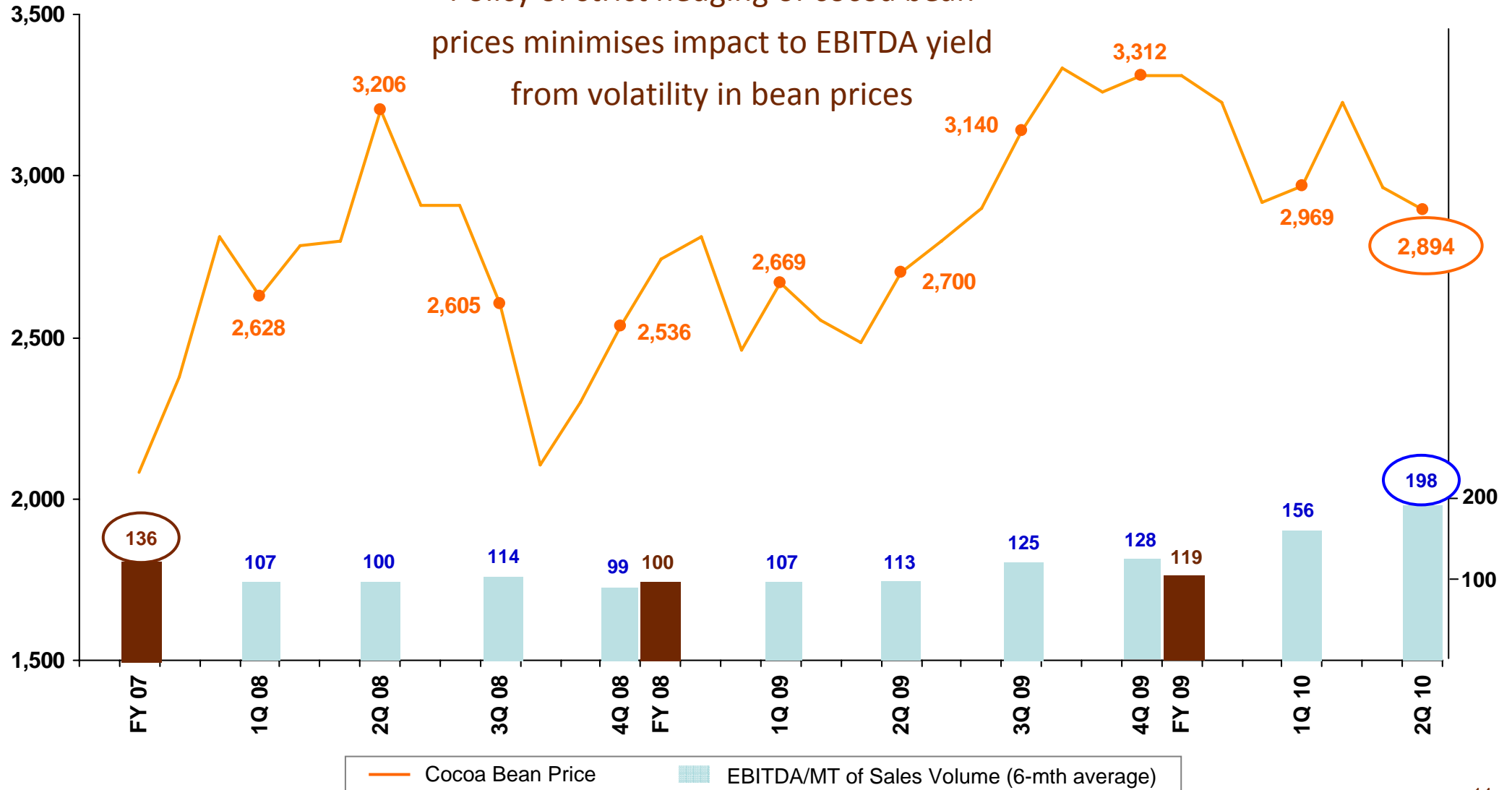
Revenue
 (US\$ Million)



Strict Hedging minimises impact to EBITDA yield

Cocoa Bean Price
(US\$/Metric Tonne)

EBITDA Yield
(US\$/Metric Tonne)



Financial Highlights

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(US\$ Million)	30 Jun 10	31 Mar 10	31 Dec 09	Highlights
Cash and Cash Equivalents	40.3	18.2	18.3	▪ Increase mainly due to Placement proceeds.
Trade Receivables	154.9	128.7	134.0	
Inventories	451.1	401.0	354.8	▪ Higher cocoa inventories on back of sharply higher bean prices and timing of contracted sales.
Other Assets	70.9	70.6	59.9	
Fixed Assets, Intangible Assets & Investments	273.0	285.7	294.5	▪ Decrease due to translational impact of Euro assets.
Total Assets	990.2	904.2	861.5	▪ Increase in line with Group's enlarged business.
Trade Payables	133.6	111.9	115.0	
Other Liabilities	64.5	69.1	64.1	
Total Borrowings	514.3	512.8	462.3	
Working Capital Facilities	319.4	321.9	251.8	▪ Increase in Trade Finance to fund higher inventories.
Medium Term Note (MTN)	90.8	83.6	83.6	
Term Loan	104.1	116.3	126.9	
Total Equity	277.8	210.4	220.1	▪ Private placement of US\$60 million.
Key Ratios				
Net Debt / Equity	1.71 x	2.35 x	2.02 x	} Strong Profit & Equity Placement strengthened financial position.
Adjusted Net Debt/Equity (excl Trade Finance & MTN)	0.30 x	0.62 x	0.70 x	
Current Ratio	1.41	1.26	1.19	
Inventory Days	118	116	95	▪ Higher cocoa inventories and effect of higher bean prices.
Receivable Days	37	35	33	▪ New 3 rd Party Agencies; trading terms for Europe's cocoa business.
Payable Days	36	34	28	▪ In line with higher inventory days.

Strong financial position

Cash Flow Applications

(US\$ Million)	1H 2010
EBITDA	47.6
Less: Changes in Operating Cash Flow	
Working Capital - Net of Trade Finance/MTN	5.4
Tax Expense paid	(12.0)
Interest Expense	(12.1)
Operating Cash Flow	28.9
Less: Investing activities	
Acquisition of Minority Interest	(13.2)
Capital Expenditure - Net of Disposals	(5.8)
Free Cash Flow	9.9
Financing activities	
Borrowings - Net of Repayments	(15.8)
Issue of Shares (Net)	60.3
Repayment of Working Capital Facilities	(27.0)
Payment of FY 2009 Final Dividend	(5.4)
Increase in Cash	22.0

Footnote

Borrowings at 30 June 2010

Total Credit Facilities (committed)

Headroom

Utilization

514.3

736.6

222.3

69.8%

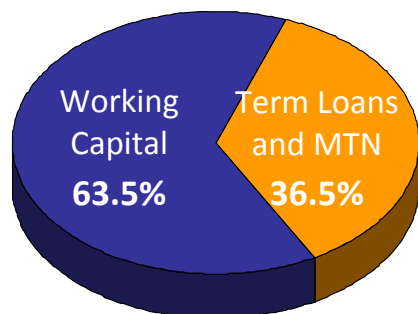
} Built headroom by raising US\$86m credit facilities.

NB: In addition, we have untapped MTN umbrella facilities of US\$126 million.

Adequate headroom and liquidity

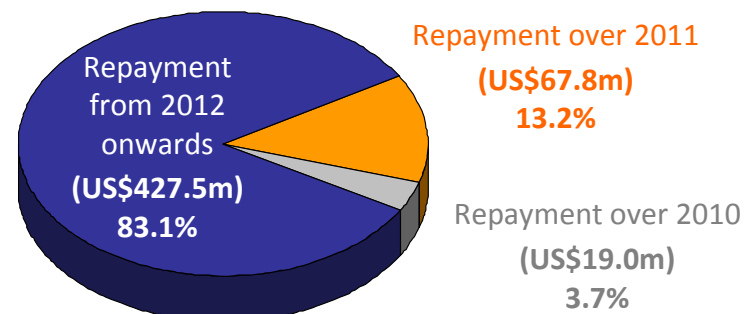
Profile of Group Loan Portfolio

Breakdown of Debt Facilities



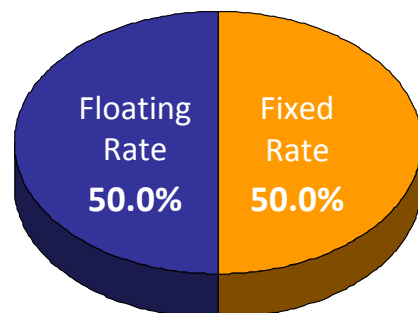
- The working capital facilities are revolving credit facilities to finance highly liquid assets (cocoa bean inventory)
- Furthermore, the beans inventory is for committed sales contracts to creditworthy counterparties

Loan Repayment Schedule



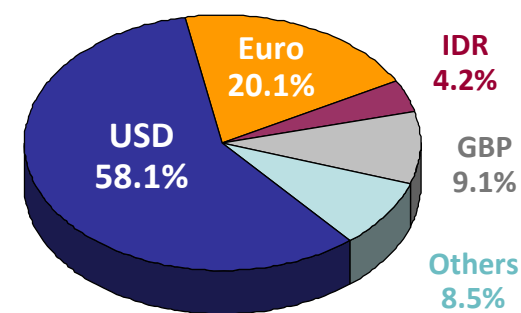
- For 2010 portion, this can be funded through our strong internal cash flow
- Repayment schedules are back ended and evenly spread

Floating & Fixed Rate Components of Loan



- Effective interest rate for Group - < 5.0% pa
- Lock-in fixed interest rates when windows of opportunity arise

Breakdown of Loans in Respective Currencies



- The currency profile of the Group's debt matches the revenue profile
- The objective of this financing strategy is to mitigate foreign currency debt exposure risk

Group Financial Highlights - At a glance

In US\$ Million	2Q 2010	2Q 2009	YoY Change	1H 2010	1H 2009	YoY Change
Sales	373.3	289.0	29.2%	712.0	570.4	24.8%
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%
EBITDA	24.6	15.6	57.3%	47.6	29.1	63.7%
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%
Finance Cost	(6.2)	(4.2)	49.8%	(12.1)	(8.4)	43.5%
Profit Before Tax	12.3	6.6	85.8%	22.8	11.0	106.8%
Profit After Tax & MI	9.6	6.1	58.4%	17.9	10.4	72.4%
Capex	4.0	16.8	(76.5%)	6.9	29.0	(76.2%)

Figures may not add due to rounding.

Group 1st Half Financial Highlights (cont'd)

	1H 2010	1H 2009	Change (%)
EPS	3.32 US cents	1.95 US cents	70.3%
	As at 30 June 2010	FY 2009 Audited Figures	
Net Debt/Equity	1.71 x	2.02 x	
Adjusted Net Debt/Equity (excluding Trade Finance and MTN)	0.30 x	0.70 x	

Branded Consumer Division

Branded Consumer - Financial Highlights

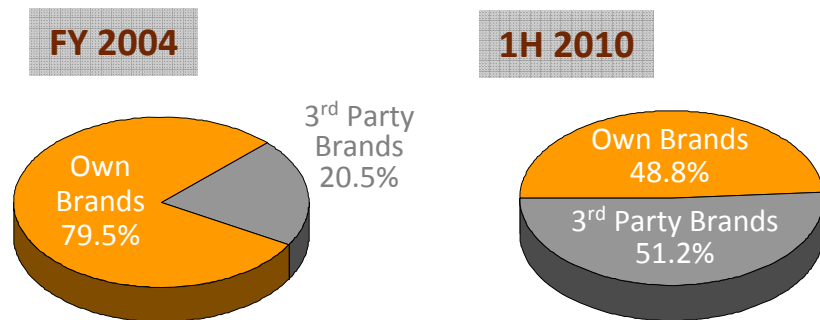
(in US\$ Million)	2Q 2010	2Q 2009	YoY change	1H 2010	1H 2009	YoY change
Revenue	89.9	72.1	+ 24.8%	177.2	135.7	+ 30.6%
- Indonesia	60.7	46.2	+ 31.6%	121.5	89.5	+ 35.8%
- Regional Market	29.2	25.9	+ 12.8%	55.7	46.2	+ 20.5%
Gross Profit Margin	30.3%	28.2%	+ 2.1% pt	30.2%	28.3%	+ 1.9% pt
EBITDA	12.1	9.0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

Key Comments

- Revenue growth driven by higher Own Brands and 3rd Party Brands sales
- Higher Gross Profit Margin - Driven by price increase for Own Brands products implemented in January 2010 plus support from strong local currency appreciation

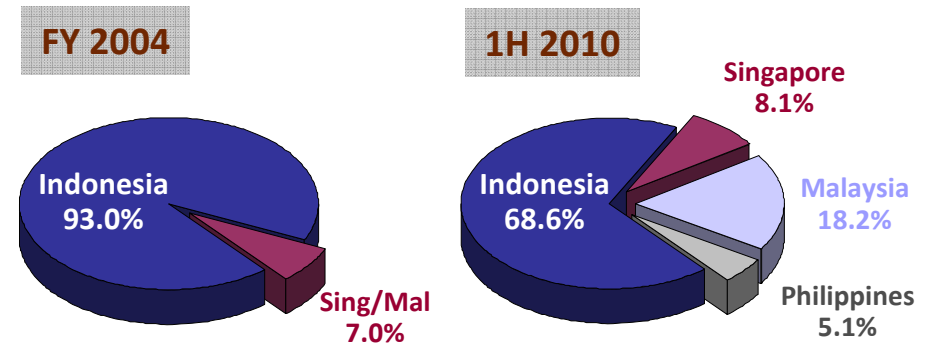
Branded Consumer - Financial Highlights

Own Brands vs 3rd Party Brands



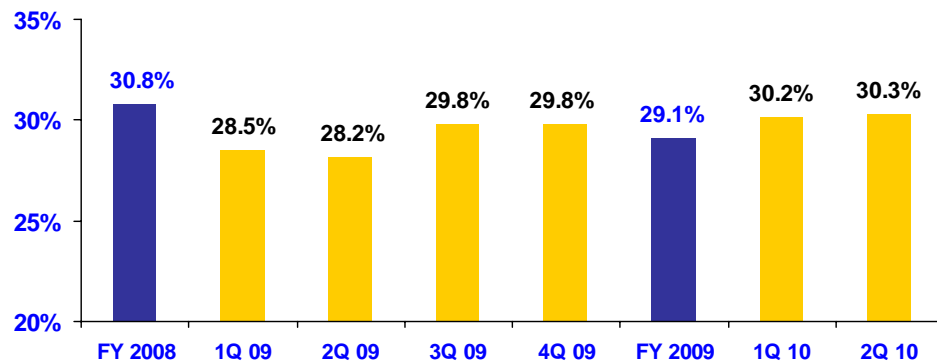
- In addition to driving strong Own Brands sales, we have built a successful 3rd Party Brands distribution business

Geographic Revenue Breakdown



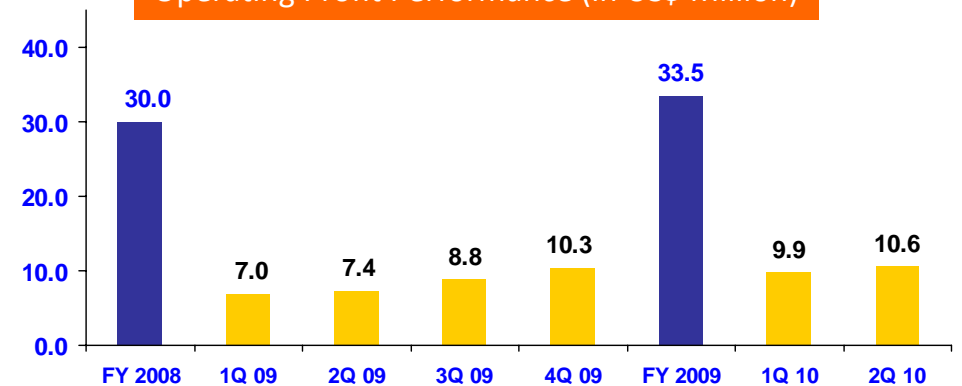
- Successfully developed the regional business complementing strong growth in Indonesia

Gross Profit Margin Trends



- The higher gross profit margin in 1Q 2010 and 2Q 2010 was driven by the strong performance of Own Brands

Operating Profit Performance (in US\$ Million)



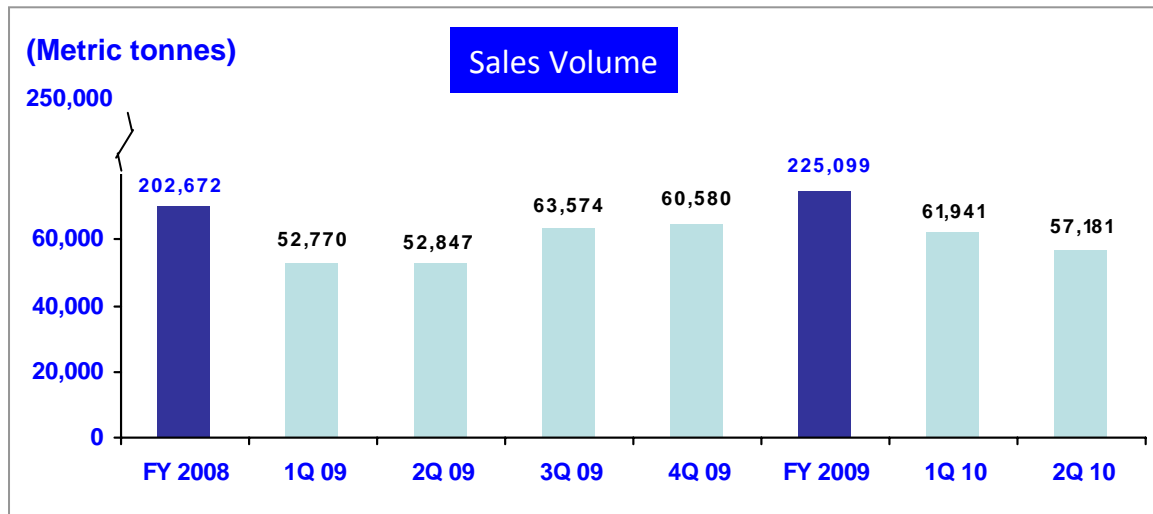
- For 2Q 2010, higher operating profit generated YoY driven by the higher revenue and the higher margins achieved

Cocoa Ingredients Division

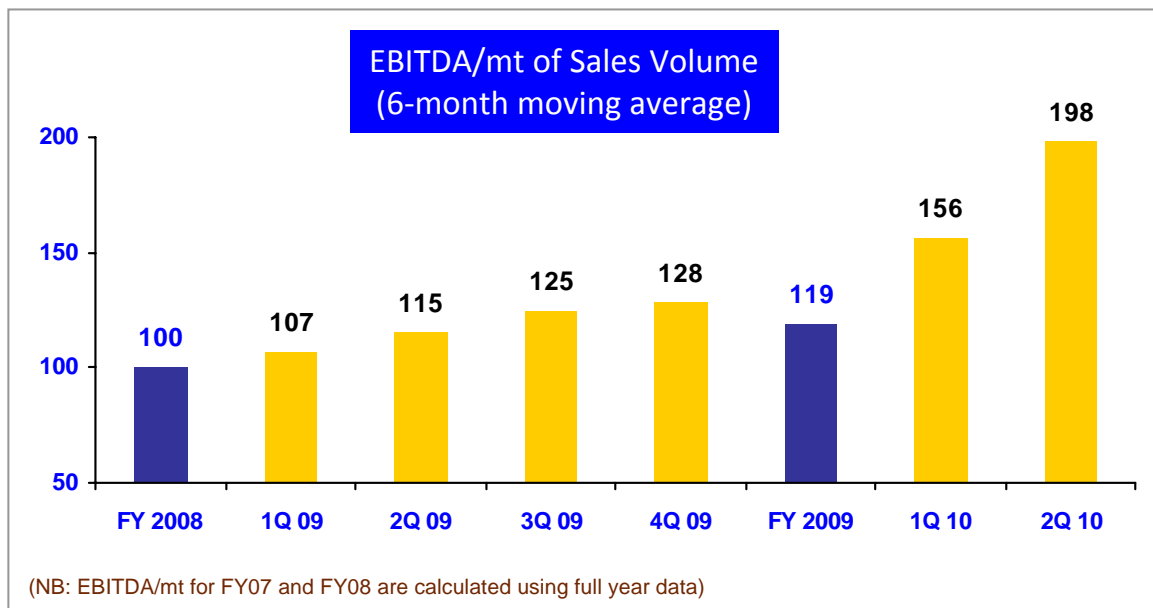
Cocoa Ingredients - Financial Results

(in US\$ Million)	2Q 2010	2Q 2009	YoY Change	1H 2010	1H 2009	YoY Change
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-month 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%

Cocoa Ingredients - Financial Highlights



- Robust volume growth of 12.8% in 1H 2010
- Key volume growth drivers are continued strong demand from global customers and new customers secured



- All regions contributed to the significantly higher EBITDA yield achieved in 1Q and 2Q 2010
- The higher EBITDA yield achieved reflected higher product pricing for our customised cocoa ingredients and delivery of higher proportion of customised cocoa ingredients