

**Petra Foods Limited**  
**Unaudited Financial Statement and Dividend Announcement**  
**For the 3<sup>rd</sup> Quarter and 9 Months Ended 30 September 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		
		3Q ended 30 September			9 months ended 30 September		
		2010	2009	%	2010	2009	%
		<u>US\$'000</u>	<u>US\$'000</u>		<u>US\$'000</u>	<u>US\$'000</u>	
Sales	1	433,082	323,658	33.8	1,145,044	894,049	28.1
Cost of Sales	2	(379,715)	(288,017)	31.8	(1,001,440)	(795,234)	25.9
<b>Gross Profit</b>		<b>53,367</b>	<b>35,641</b>	<b>49.7</b>	<b>143,604</b>	<b>98,815</b>	<b>45.3</b>
Other operating income		2,243	2,635	(14.9)	4,503	5,100	(11.7)
Selling and distribution costs		(24,068)	(18,493)	30.1	(64,523)	(48,679)	32.5
Administrative expenses		(8,869)	(8,017)	10.6	(25,273)	(22,830)	10.7
Finance costs	3	(6,790)	(4,834)	40.5	(18,846)	(13,235)	42.4
Other operating expenses		(1,103)	(695)	58.7	(1,816)	(1,950)	(6.9)
		<b>14,780</b>	<b>6,237</b>	<b>137.0</b>	<b>37,649</b>	<b>17,221</b>	<b>118.6</b>
Share of results of associated companies		149	115	29.6	113	174	(35.1)
<b>Profit before tax</b>	4	<b>14,929</b>	<b>6,352</b>	<b>135.0</b>	<b>37,762</b>	<b>17,395</b>	<b>117.1</b>
Income tax expense		(4,663)	(2,830)	64.8	(9,622)	(5,551)	73.3
<b>Net Profit</b>		<b>10,266</b>	<b>3,522</b>	<b>191.5</b>	<b>28,140</b>	<b>11,844</b>	<b>137.6</b>
Attributable to:							
<b>Equity holders of the company</b>		<b>10,266</b>	<b>4,890</b>	<b>109.9</b>	<b>28,140</b>	<b>15,258</b>	<b>84.4</b>
Minority Interest	5	-	(1,368)	NM	-	(3,414)	NM
		<b>10,266</b>	<b>3,522</b>	<b>191.5</b>	<b>28,140</b>	<b>11,844</b>	<b>137.6</b>
EBITDA	6	27,735	17,718	56.5	75,176	46,812	60.6
Earnings per share (US cents) - Basic and Diluted <sup>a, b</sup>		1.68	0.92	82.6	5.00	2.87	74.4
Return on equity <sup>c</sup>					15.5%	12.6% <sup>d</sup>	2.9% 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 number of shares of 611,157,000 for 3Q and weighted average number of shares of 563,017,000 for 9-month 2010 (3Q and 9M2009: 532,277,000). Refer to para 6.

c For comparative purposes, ROE is computed based on annualized 9-month 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

	3Q ended 30 September			9 months ended 30 September		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Cocoa Ingredients Division	333,045	239,904	38.8	867,826	674,628	28.6
Branded Consumer Division	100,037	83,754	19.4	277,218	219,421	26.3
	<b>433,082</b>	<b>323,658</b>	<b>33.8</b>	<b>1,145,044</b>	<b>894,049</b>	<b>28.1</b>

### Note 2 - Cost of Sales

	3Q ended 30 September			9 months ended 30 September		
	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	379,453	275,470	37.7	1,004,509	783,951	28.1
Cost of services	3,905	3,668	6.5	10,933	8,614	26.9
	<b>383,358</b>	<b>279,138</b>	<b>37.3</b>	<b>1,015,442</b>	<b>792,565</b>	<b>28.1</b>
Transfer from cash flow hedge reserve - cocoa bean and forex derivatives	(3,552)	280	NM	(10,543)	(12,585)	(16.2)
Other adjustments to cost of sales:						
- Fair value loss/(gain) on cocoa bean derivatives	4,300	12,344	(65.2)	(7,620)	9,179	NM
- Fair value (gain)/loss on foreign exchange derivatives	(2,745)	1,700	NM	5,125	5,276	(2.9)
Net foreign exchange (gain)/loss	(1,646)	(5,445)	(69.8)	(964)	799	NM
<b>Cost of Sales</b>	<b>379,715</b>	<b>288,017</b>	<b>31.8</b>	<b>1,001,440</b>	<b>795,234</b>	<b>25.9</b>

### Note 3 - Finance Costs (Net)

	3Q ended 30 September			9 months ended 30 September		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Interest Expense	6,057	4,209	43.9	16,570	11,545	43.5
Transfer from cash flow hedge - interest rate swaps	959	588	63.1	2,635	1,659	58.8
	<b>7,016</b>	<b>4,797</b>	<b>46.3</b>	<b>19,205</b>	<b>13,204</b>	<b>45.4</b>
Net foreign exchange (gain) / loss	(226)	37	NM	(359)	31	NM
<b>Total finance costs</b>	<b>6,790</b>	<b>4,834</b>	<b>40.5</b>	<b>18,846</b>	<b>13,235</b>	<b>42.4</b>

## Note 4 - Profit before Income Tax

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

	3Q ended 30 September			9 months ended 30 September		
	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	<b>(5,593)</b>	(6,254)	(10.6)	<b>(17,373)</b>	(15,519)	11.9
Amortisation of intangible assets	<b>(104)</b>	(124)	(16.1)	<b>(323)</b>	(351)	(8.0)
Net foreign exchange gain	<b>1,897</b>	7,611	(75.1)	<b>1,994</b>	1,867	(6.8)
Over/(Under) provision of tax in prior years	<b>443</b>	(302)	NM	<b>700</b>	16	NM
Gain on disposal of property, plant and equipment	<b>69</b>	39	76.9	<b>453</b>	61	NM
Writeback/(Impairment loss) on trade receivables	<b>22</b>	4	NM	<b>(3)</b>	(49)	(93.9)
Inventories written off	<b>(583)</b>	(254)	129.5	<b>(1,345)</b>	(738)	82.2
Allowance made for inventory obsolescence	<b>(932)</b>	(723)	28.9	<b>(2,231)</b>	(1,128)	97.8

## 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 ("PAH") from its minority shareholder.

With effect from 5 May 2010, "Petra Armajaro Holdings Pte Ltd" was renamed "Petra Europe Holdings Pte Ltd" (Petra Europe) to reflect the change of its corporate identity and the full integration of Delfi Cocoa Europe into the Group's global cocoa ingredients network.

## Note 6 - EBITDA

	3Q ended 30 September			9 months ended 30 September		
	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	<b>14,929</b>	6,352	135.0	<b>37,762</b>	17,395	117.1
Interest expense	<b>7,016</b>	4,797	46.3	<b>19,205</b>	13,204	45.4
Fair value loss on interest rate derivatives	<b>132</b>	214	(38.0)	<b>621</b>	427	45.4
Interest income	<b>(39)</b>	(23)	77.3	<b>(108)</b>	(84)	28.6
Depreciation of property, plant and equipment	<b>5,593</b>	6,254	(10.6)	<b>17,373</b>	15,519	11.9
Amortisation of intangible assets	<b>104</b>	124	(16.1)	<b>323</b>	351	(8.0)
EBITDA	<b>27,735</b>	17,718	56.5	<b>75,176</b>	46,812	60.6

**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-Sep-10 US\$'000	31-Dec-09 US\$'000	30-Sep-10 US\$'000	31-Dec-09 US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		21,449	18,338	12,445	6,759
Derivative assets		8,726	4,509	8,726	4,087
Trade receivables		167,126	134,022	258,789	183,034
Inventories	2	460,487	354,796	5,052	7,066
Tax recoverable		9,591	5,323	-	-
Other current assets		40,783	32,009	13,797	17,806
Receivables from subsidiaries		-	-	10,000	10,000
		<b>708,162</b>	<b>548,997</b>	<b>308,809</b>	<b>228,752</b>
<b>Non-current assets</b>					
Investments in subsidiaries	3	-	-	116,302	103,114
Investments in associated companies		2,637	2,363	3,000	3,000
Receivables from subsidiaries		-	-	73,042	54,519
Loans to associated company		2,532	2,411	-	-
Property, plant and equipment	4	258,681	270,049	1,311	1,134
Intangibles assets		21,436	22,032	1,784	1,784
Deferred income tax assets		15,320	14,805	147	-
Other non-current assets		777	888	1,825	-
		<b>301,383</b>	<b>312,548</b>	<b>197,411</b>	<b>163,551</b>
<b>Total Assets</b>		<b>1,009,545</b>	<b>861,545</b>	<b>506,220</b>	<b>392,303</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		101,766	115,028	53,666	34,246
Other payables		43,926	38,326	12,320	10,545
Current income tax liabilities		3,556	4,815	77	2,116
Derivative liabilities		14,071	5,607	11,072	5,257
Borrowings	5	360,759	295,931	157,887	85,430
		<b>524,078</b>	<b>459,707</b>	<b>235,022</b>	<b>137,594</b>
<b>Non-current liabilities</b>					
Borrowings	5	191,854	166,376	69,472	101,102
Deferred income tax liabilities		6,855	7,046	-	1,051
Provisions for other liabilities and charges		9,746	8,347	-	-
		<b>208,455</b>	<b>181,769</b>	<b>69,472</b>	<b>102,153</b>
<b>Total liabilities</b>		<b>732,533</b>	<b>641,476</b>	<b>304,494</b>	<b>239,747</b>
<b>NET ASSETS</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	1	155,951	95,767	155,951	95,767
Foreign currency translation reserve		(752)	(3,079)	-	-
Other reserves		(3,319)	5,270	(3,030)	4,903
Retained earnings		125,132	109,735	48,805	51,886
		<b>277,012</b>	<b>207,693</b>	<b>201,726</b>	<b>152,556</b>
<b>Minority interests</b>		-	12,376	-	-
<b>Total equity</b>		<b>277,012</b>	<b>220,069</b>	<b>201,726</b>	<b>152,556</b>

## 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 (US\$60.2 million net of share issue expense) was raised (see para 1d(ii)).

The net proceeds raised provided the Group with greater financial capacity to pursue strategic growth opportunities and increase its financial resources for 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 arise. The balance of net proceeds has been used for working capital and general corporate purposes of the Group.

### Note 2 - Inventories

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

	30 September 2010	31 December 2009
	<u>US\$'000</u>	<u>US\$'000</u>
Cocoa Ingredients	400,572	296,163
Branded Consumer	59,915	58,633
	<u>460,487</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 Holdings Pte Ltd ("PAH") for a consideration of Euro 9 million (US\$14 million). The acquisition was paid in cash. As disclosed in para 1a(i) note 5, PAH's has been renamed Petra Europe Holdings Pte Ltd ("Petra Europe").

### Note 4 - Property, Plant and Equipment

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

	3Q ended 30 September			9 months ended 30 September		
	2010	2009	Change	2010	2009	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Cocoa Ingredients	1,656	5,250	(68.5)	5,664	28,641	(80.2)
Branded Consumer	920	733	25.5	3,808	6,320	(39.7)
	<u>2,576</u>	<u>5,983</u>	(56.9)	<u>9,472</u>	<u>34,961</u>	(72.9)

## Note 5 - Borrowings

	Group		Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	US\$'000	US\$'000	US\$'000	US\$'000
Bank overdraft	25,370	46,384	860	580
Bank borrowings	99,931	125,093	22,705	23,163
Medium Term Notes ("MTN")	96,176	83,584	96,176	83,584
Finance lease liabilities	1,941	1,771	595	335
Trade finance and short term advances	329,195	205,475	107,023	78,870
	<b>552,613</b>	<b>462,307</b>	<b>227,359</b>	<b>186,532</b>
Breakdown of borrowings:				
Current	360,759	295,931	157,887	85,430
Non current	191,854	166,376	69,472	101,102
	<b>552,613</b>	<b>462,307</b>	<b>227,359</b>	<b>186,532</b>

To fund the higher inventories as disclosed in Note 1, the Group utilized additional trade finance of US\$123.7 million, of which a portion was committed for a longer tenure. This reflected the Group's ongoing initiatives to manage liquidity risks by:

1. Reducing refinancing risk of short term working capital facilities; and
2. Extending its debt maturity profile to match the financing and investment needs of its businesses.

## Note 6 - Key Ratios

	Group	
	30-Sep-10	31-Dec-09
Current Ratio	1.35	1.19
Average Inventory Days	111	95
Average Receivable Days	36	33
Net Debt to Equity	1.92	2.02
Adjusted Net Debt to Equity*	0.38	0.70

\* Note: The Adjusted Net Debt to Equity Ratio is computed by excluding banking facilities (ie. 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 and cocoa inventories compounded by the surge in bean prices during the course of 2010. 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-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
Amount repayable in one year or less, or on demand				
- Secured	100,622	105,604	151	132
- Unsecured	260,137	190,327	157,736	85,298
	<b>360,759</b>	295,931	<b>157,887</b>	85,430
Amount repayable after one year				
- Secured	110,604	43,987	444	203
- Unsecured	81,250	122,389	69,028	100,899
	<b>191,854</b>	166,376	<b>69,472</b>	101,102

### Details of collateral

Of the Group's total borrowings, US\$211.2 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	Period ended	
		30-Sep-10	30-Sep-09
		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		37,762	17,395
Adjustments:			
Depreciation and amortization		17,696	15,870
Property, plant and equipment written off		503	-
Gain on disposal of property, plant and equipment		(453)	(61)
Interest (income)		(108)	(84)
Interest expense		19,205	13,204
Fair value of derivatives		9,635	(1,825)
Net foreign exchange (gain)/loss		(359)	31
Share of gain from associated companies		(113)	(174)
Operating cash flow before working capital changes		83,768	44,356
Change in working capital			
Inventories		(105,691)	(81,359)
Trade and other receivables		(55,090)	(51,691)
Trade and other payables		(6,261)	56,461
Cash used in operations		(83,274)	(32,233)
Interest received		108	84
Income tax paid		(16,302)	(10,250)
<b>Net cash used in operating activities</b>		<b>(99,468)</b>	<b>(42,399)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(8,562)	(34,961)
Acquisition of remaining interest in a subsidiary	Para 1a(i) Note 5	(13,187)	-
Payments for patents & trademarks		(42)	(47)
Proceeds from disposals of property, plant and equipment		583	84
<b>Net cash used in investing activities</b>		<b>(21,208)</b>	<b>(34,924)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	Para 1d(ii)	60,185	-
Proceeds from term loans		254	23,301
Proceeds from trade finance and short term advances		123,720	76,134
Proceeds from issuance of Medium Term Note		7,179	15,972
Repayments of term loans		(24,133)	(19,083)
Repayment of lease liabilities		(750)	(705)
Interest paid		(19,205)	(13,366)
Dividend paid to equity holders of company		(12,743)	(10,938)
<b>Net cash provided by financing activities</b>		<b>134,507</b>	<b>71,315</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,831</b>	<b>(6,008)</b>
<b>Cash and cash equivalents</b>			
Beginning of financial year		(28,046)	(14,301)
Effects of currency translation		10,294	1,694
<b>End of financial year</b>		<b>(3,921)</b>	<b>(18,615)</b>

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

	Period ended	
	30-Sep-10	30-Sep-09
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	21,449	24,832
Less: Bank overdrafts	(25,370)	(43,447)
	<u>(3,921)</u>	<u>(18,615)</u>

## Consolidated Statement of Comprehensive Income

	3Q ended 30 September		9 months ended 30 September	
	2010	2009	2010	2009
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Profit for the period</b>	<b>10,266</b>	3,522	<b>28,140</b>	11,844
Fair value (loss)/gains on cash flow hedges	(2,070)	5,270	5,140	8,452
Transfers to income statement	(7,894)	(1,138)	(13,173)	(12,573)
Tax on fair value adjustments	866	(770)	254	1,312
	<b>(9,098)</b>	3,362	<b>(7,779)</b>	(2,809)
Currency translation gain	5,475	5,691	2,327	9,684
Other comprehensive (expense)/income for the period	(3,623)	9,053	(5,452)	6,875
<b>Total comprehensive income for the period</b>	<b>6,643</b>	12,575	<b>22,688</b>	18,719
<b>Attributable to:</b>				
Shareholders of the Company	6,643	12,418	22,688	23,304
Minority interests	-	157	-	(4,585)
	<b>6,643</b>	12,575	<b>22,688</b>	18,719

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							Total equity US\$'000
	Share capital US\$'000	Foreign currency translation reserve US\$'000	Cash flow hedge reserve US\$'000	Capital reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Minority interest US\$'000	
<b>The Group</b>								
<b>1H 2010</b>								
<b>Balance at 1 January 2010</b>	95,767	(3,079)	3,651	1,619	109,735	207,693	12,376	220,069
Total comprehensive income for the quarter	-	(3,148)	1,320	-	17,874	16,046	-	16,046
Acquisition of additional interest in a subsidiary	-	-	-	(811)	-	(811)	(12,376)	(13,187)
Issue of shares	61,143	-	-	-	-	61,143	-	61,143
Share issue expense	(835)	-	-	-	-	(835)	-	(835)
Final dividend relating to 2009	-	-	-	-	(5,429)	(5,429)	-	(5,429)
<b>Balance at 30 June 2010</b>	<b>156,075</b>	<b>(6,227)</b>	<b>4,971</b>	<b>808</b>	<b>122,180</b>	<b>277,807</b>	<b>-</b>	<b>277,807</b>
<b>3Q 2010</b>								
<b>At 1 July 2010</b>	156,075	(6,227)	4,971	808	122,180	277,807	-	277,807
Total comprehensive income for the quarter	-	5,475	(9,098)	-	10,266	6,643	-	6,643
Share Issue Expenses	(124)	-	-	-	-	(124)	-	(124)
Interim dividend relating to 2010	-	-	-	-	(7,314)	(7,314)	-	(7,314)
<b>At 30 September 2010</b>	<b>155,951</b>	<b>(752)</b>	<b>(4,127)</b>	<b>808</b>	<b>125,132</b>	<b>277,012</b>	<b>-</b>	<b>277,012</b>
<b>The Group</b>								
<b>1H 2009</b>								
<b>At 1 January 2009</b>	95,767	(13,089)	3,217	1,538	96,129	183,562	19,685	203,247
Total comprehensive income for the quarter	-	4,636	(4,118)	-	10,368	10,886	(4,742)	6,144
Final dividend relating to 2008	-	-	-	-	(5,429)	(5,429)	-	(5,429)
<b>At 30 June 2009</b>	<b>95,767</b>	<b>(8,453)</b>	<b>(901)</b>	<b>1,538</b>	<b>101,068</b>	<b>189,019</b>	<b>14,943</b>	<b>203,962</b>
<b>3Q 2009</b>								
<b>At 1 July 2009</b>	95,767	(8,453)	(901)	1,538	101,068	189,019	14,943	203,962
Total comprehensive income for the quarter	-	4,448	3,080	-	4,890	12,418	157	12,575
Interim dividend relating to 2009	-	-	-	-	(5,509)	(5,509)	-	(5,509)
<b>At 30 September 2009</b>	<b>95,767</b>	<b>(4,005)</b>	<b>2,179</b>	<b>1,538</b>	<b>100,449</b>	<b>195,928</b>	<b>15,100</b>	<b>211,028</b>

## 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>
<b><u>The Company</u></b>				
<b><u>1H 2010</u></b>				
<b>Balance at 1 January 2010</b>	95,767	4,903	51,886	152,556
Total comprehensive income for the quarter	-	(843)	9,187	8,344
Issue of shares	61,143	-	-	61,143
Share issue expenses	(835)	-	-	(835)
Final dividend relating to 2009	-	-	(5,429)	(5,429)
<b>Balance at 30 June 2010</b>	<b>156,075</b>	<b>4,060</b>	<b>55,644</b>	<b>215,779</b>
<b><u>3Q 2010</u></b>				
<b>At 1 July 2010</b>	156,075	4,060	55,644	215,779
Total comprehensive income for the quarter	-	(7,090)	475	(6,615)
Share issue expenses	(124)	-	-	(124)
Interim dividend relating to 2010	-	-	(7,314)	(7,314)
<b>At 30 September 2010</b>	<b>155,951</b>	<b>(3,030)</b>	<b>48,805</b>	<b>201,726</b>
<b><u>The Company</u></b>				
<b><u>1H 2009</u></b>				
<b>At 1 January 2009</b>	95,767	(1,891)	32,524	126,400
Total comprehensive income for the quarter	-	176	2,572	2,748
Final dividend relating to 2008	-	-	(5,429)	(5,429)
<b>At 30 June 2009</b>	<b>95,767</b>	<b>(1,715)</b>	<b>29,667</b>	<b>123,719</b>
<b><u>3Q 2009</u></b>				
<b>At 1 July 2009</b>	95,767	(1,715)	29,667	123,719
Total comprehensive income for the quarter	-	4,930	7,161	12,091
Interim dividend relating to 2009	-	-	(5,509)	(5,509)
<b>At 30 September 2009</b>	<b>95,767</b>	<b>3,215</b>	<b>31,319</b>	<b>130,301</b>

- 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 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. All issued shares were fully paid. The newly issued shares shall rank pari-passu with the previously issued shares. With the new shares issued, the number of shares of the Company 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 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.**

	3Q ended 30 September		9 months ended 30 September	
	2010	2009	2010	2009
(i) Based on weighted average number of ordinary shares in issue - (US cents)	1.68	0.92	5.00	2.87
(ii) On a fully diluted basis - (US cents)	1.68	0.92	5.00	2.87

Notes

- Basic earnings per share for 3Q and 9M 2010 is computed based on the number of shares of 611,157,000 for 3Q and weighted average number of shares of 563,017,000 for 9-month 2010 (3Q & 9M 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 September 2010 and 30 September 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 Sep 10	31 Dec 09	30 Sep 10	31 Dec 09
Net asset value per ordinary share based on issued share capital - (US cents)	45.3	39.0	33.0	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:
- 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
  - 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)

	3Q ended 30 September			9 months ended 30 September		
	2010	2009	%	2010	2009	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Cocoa Ingredients	333,045	239,904	38.8	867,826	674,628	28.6
Branded Consumer	100,037	83,754	19.4	277,218	219,421	26.3
<b>REVENUE</b>	<b>433,082</b>	<b>323,658</b>	<b>33.8</b>	<b>1,145,044</b>	<b>894,049</b>	<b>28.1</b>
Cocoa Ingredients	14,688	7,392	98.7	38,177	19,298	97.8
Branded Consumer	13,047	10,326	26.4	36,999	27,514	34.5
<b>EBITDA</b>	<b>27,735</b>	<b>17,718</b>	<b>56.5</b>	<b>75,176</b>	<b>46,812</b>	<b>60.6</b>
<b>Finance Costs</b>	<b>(6,790)</b>	<b>(4,834)</b>	<b>40.5</b>	<b>(18,846)</b>	<b>(13,235)</b>	<b>42.4</b>
<b>Profit before tax</b>	<b>14,929</b>	<b>6,352</b>	<b>135.0</b>	<b>37,762</b>	<b>17,395</b>	<b>117.1</b>
<b>Net profit attributable to shareholders</b>	<b>10,266</b>	<b>4,890</b>	<b>109.9</b>	<b>28,140</b>	<b>15,258</b>	<b>84.4</b>

### Key Indicators by Business Segments

	3Q ended 30 September			9 months ended 30 September		
	2010	2009	%	2010	2009	%
<b>Branded Consumer</b>						
Gross Profit Margin	31.4%	29.8%	1.6 pt	30.6%	28.9%	1.7 pt
<b>Cocoa Ingredients</b>						
Sales volume (MT) – Division	64,371	62,634	2.8	183,493	169,191	8.5
Capacity utilisation – Division				88.3%	86.5%	1.8 pt

	6-month moving average ended 30 September		
	2010	2009	%
	US\$	US\$	
EBITDA/metric ton – Division	223	121	84.3

## Review of the Group's 3Q 2010 and 9M 2010 Performance

The Group delivered strong earnings for the quarter and the nine month period with Net Profit of US\$10.3 million achieved in 3Q 2010 and US\$28.1 million in 9M 2010, representing Year-on-Year ("Y-o-Y") growth of 109.9% and 84.4% respectively. The strong performance can be attributed to a combination of higher sales volume, higher unit pricing and higher margins achieved by the Group's two business units.

### Key Financial Highlights of the Group

	3Q 2010	3Q 2009	% change	9M 2010	9M 2009	% change
	(US\$ Million)	(US\$ Million)	Year on Year	(US\$ Million)	(US\$ Million)	Year on Year
Revenue	433.1	323.7	33.8%	1,145.0	894.0	28.1%
EBITDA	27.7	17.7	56.5%	75.2	46.8	60.6%
EBITDA/mt (6 months moving average) in US\$	223	121	84.3%	223	121	84.3%
Sales volume (mt)	64,371	62,634	2.8%	183,493	169,191	8.5%

The higher sales volume and higher unit pricing achieved by our Cocoa Ingredients and Branded Consumer Divisions generated revenues of US\$433.1 million in 3Q 2010 and US\$1.145 billion for 9M 2010, representing Y-o-Y growth of 33.8% and 28.1% respectively.

In addition to the revenue growth achieved, the higher margins achieved by our two business units drove the Group's EBITDA higher Y-o-Y by 56.5% in 3Q 2010 and 60.6% for 9M 2010. For 9M 2010, our Cocoa Ingredients Division achieved EBITDA/mt of US\$223 (up 84.3% Y-o-Y) while for our Branded Consumer Division, 9M 2010 gross profit margin was higher by 1.7 percentage points Y-o-Y.

## Review of the Group's 3Q 2010 and 9M 2010 Financial Performance by Divisions

### Branded Consumer Division

#### Key Financial Highlights

	3Q 2010	3Q 2009	% change	9M 2010	9M 2009	% change
	(US\$ Million)	(US\$ Million)	Year on Year	(US\$ Million)	(US\$ Million)	Year on Year
Indonesia	70.7	56.4	25.4%	192.2	145.8	31.8%
The Regional Markets	29.3	27.4	7.1%	85.0	73.6	15.5%
<b>Branded Consumer Revenue</b>	<b>100.0</b>	<b>83.8</b>	<b>19.4%</b>	<b>277.2</b>	<b>219.4</b>	<b>26.3%</b>
Gross Profit Margin (%)	31.4%	29.8%	+ 1.6% pt	30.6%	28.9%	+ 1.7% pt
<b>EBITDA</b>	<b>13.0</b>	<b>10.3</b>	<b>26.4%</b>	<b>37.0</b>	<b>27.5</b>	<b>34.5%</b>

*Figures may not add due to rounding.*

Following the robust 1H 2010 momentum, the Branded Consumer Division generated continued strong sales performance in 3Q 2010 resulting in 9M 2010 revenue growth of 26.3% Y-o-Y achieved. The strong performance was driven by higher sales growth for both Own Brands and 3<sup>rd</sup> Party Brands. Note that adjusted for the stronger regional currencies in 9M 2010, the Branded Consumer Division's revenue growth was 10.5% Y-o-Y.



For Own Brands sales, the growth reflected robust marketing support behind priority brands as well as strong gains from new product launches (especially for our brands like *SilverQueen*, *Cha Cha* and *Goya*).

## Revenue Performance by Markets

- **Indonesia**

Our key brands (eg. *SilverQueen*, *Cha Cha* and *Ceres Meises*) in 9M 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 3<sup>rd</sup> Party Brands sales, the strong double digit revenue growth was driven mainly by organic growth achieved by existing agencies.

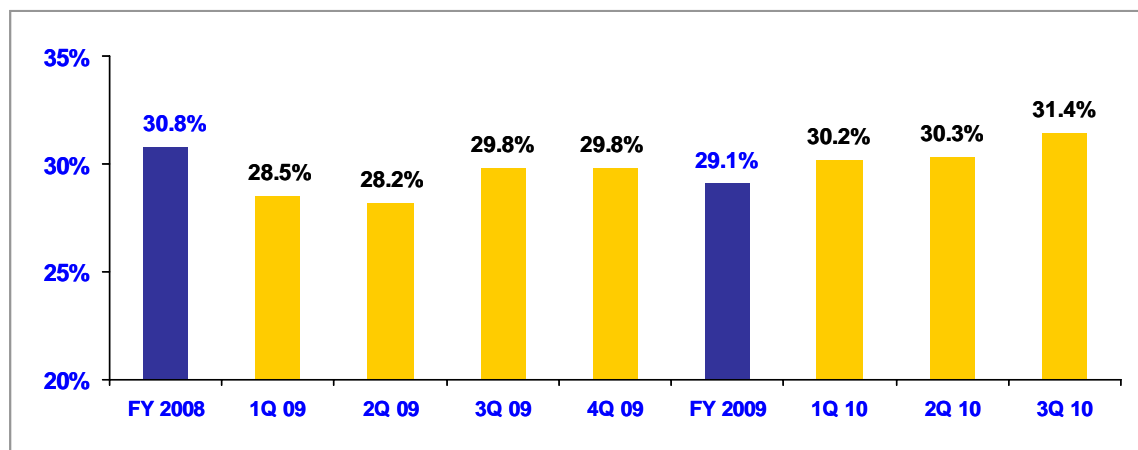
- **The Regional Markets of the Philippines, Malaysia and Singapore**

For 9M 2010, regional markets formed 30.7% of the Division's revenue with Own Brands achieving revenue growth of 28.0% Y-o-Y, reflecting the stronger domestic economies and the success of the Division's strategy of growing Own Brands. For 3<sup>rd</sup> 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 9M 2010 EBITDA growth of 34.5% Y-o-Y was driven primarily by the revenue growth of Own Brands and 3<sup>rd</sup> Party Brands, the higher margin achieved and the stronger regional currencies.

### Branded Consumer Division's Gross Profit Margin Trend



The Branded Consumer Division's 9M 2010 gross profit margin was higher by 1.7 percentage point over 9M 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 9M 2010 translated to lower input costs.

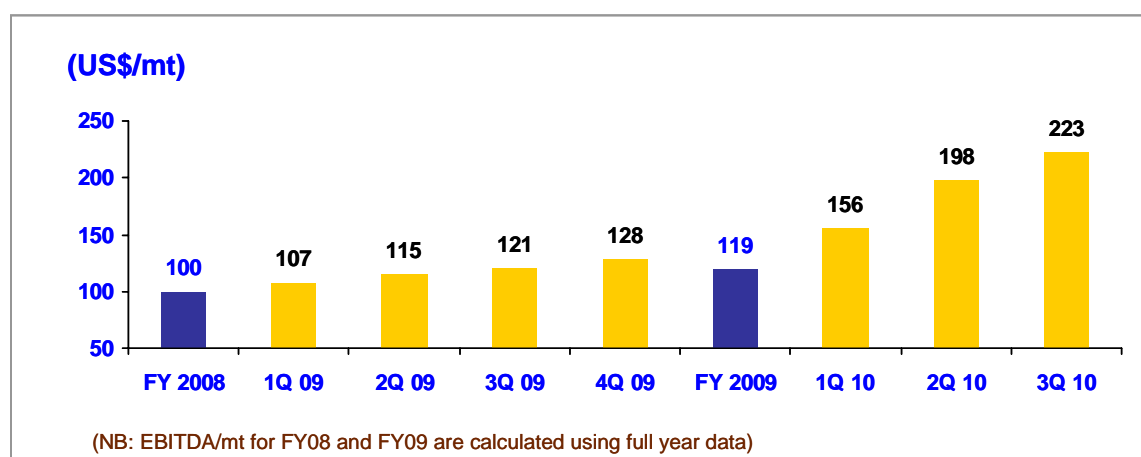
## Cocoa Ingredients Division

### Key Financial Highlights

	3Q 2010 (US\$ Million)	3Q 2009 (US\$ Million)	% change Year on Year	9M 2010 (US\$ Million)	9M 2009 (US\$ Million)	% change Year on Year
Revenue	333.0	239.9	38.8%	867.8	674.6	28.6%
EBITDA	14.7	7.4	98.7%	38.2	19.3	97.8%
EBITDA/mt (6 months moving average) in US\$	223	121	84.3%	223	121	84.3%
Sales volume (mt)	64,371	62,634	2.8%	183,493	169,191	8.5%

For Cocoa Ingredients Division, the strong 9M 2010 EBITDA growth of 97.8% Y-o-Y was due to the higher sales volume and the higher EBITDA yield achieved. All regions contributed to the significantly higher 9M 2010 EBITDA yield of US\$223/mt, up 84.3%. This higher EBITDA yield reflected higher shipment of premium products and Europe's turnaround.

### 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 9M 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 3Q 2010 selling and distribution expense and administration expenses rose US\$5.6 million and US\$0.9 million respectively. The major increases were due to:

1. Higher outward freight and Advertising & Promotion expenditure to support sales growth and brand building initiatives; and
2. Additional staff costs incurred by the Branded Consumer Division as its sales and distribution infrastructure continued to be strengthened.

## Finance Cost

Finance cost 3Q 2010 was US\$2.0 million higher Y-o-Y as a result of higher borrowings to finance cocoa bean inventories during the period under review.

## Review of Financial Position and Cash Flow

Balance Sheet as at	30-Sep-10	31-Dec-09	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Total Assets	1,009,545	861,545	148,000
Current assets	708,162	548,997	159,165
Non current assets	301,383	312,548	(11,165)
Total Borrowings	552,613	462,307	90,306
Shareholders' Equity	277,012	207,693	69,319
Working Capital	184,084	89,290	94,794

Shareholders' Equity was higher by US\$69.3 million to US\$277 million as a result of:

1. Strong 9M10 Group earnings;
2. Equity placement of US\$60.2 million;
3. Strengthening of the Indonesian Rupiah against the United States Dollar in 9M 2010 resulting in a gain of US\$2.3 million in the Foreign Currency Translation Reserve in Shareholders' Equity.

The combination of the above strengthened the Group's financial position as reflected by an improvement in gearing ratios - net debt to equity improved from 2.02 to 1.92. Its adjusted net debt to equity ratio also fell from 0.70 to 0.38.

Total assets increased by US\$148 million, mainly due to higher working capital, principally:

1. Additional receivables of US\$33.1 million which is in line with revenue growth; and
2. Increased inventories of US\$105.7 million coming from higher bean (seasonal) and cocoa inventories compounded by a surge in bean prices.

The higher working capital was funded mainly by 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 3Q 2010 and 9M 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 earnings momentum of the Group's two businesses, barring unforeseen circumstances, we expect record earnings for the Group in 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. With a substantial portion of 2010's capacity already committed by our customers, we expect the strong 9M 2010 momentum to continue into 4Q 2010.

For the Branded Consumer Division, the strong sales momentum for our Own Brands and 3<sup>rd</sup> Party Brands is expected to continue. For Own Brands, investment in marketing and innovation is expected to drive solid growth in consumption of our key brands.

To capitalize on the strong growth momentum for our two businesses, we plan to add capacity in locations that will provide us with strategic cost benefits and to drive our overall growth.

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**

N/A

**d. Books closure date**

Not applicable

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

Not applicable

**12. Segmental revenue and results**

	<b>Cocoa Ingredients</b>	<b>Branded Consumer</b>	<b>Total</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b><u>Period ended 30 September 2010</u></b>			
<b>Sales:</b>			
- Total segment sales	886,180	277,218	1,163,398
- Inter-segment sales	<u>(18,354)</u>	<u>-</u>	<u>(18,354)</u>
Sales to external parties	<u>867,826</u>	<u>277,218</u>	<u>1,145,044</u>
 EBITDA	 38,177	 36,999	 75,176
 Finance costs			 (18,846)
Share of profit of associated companies			113
Income tax expense			(9,622)
<b>Assets and liabilities</b>			
Segment assets	771,411	220,177	991,588
Associated companies			2,637
Unallocated assets			<u>15,320</u>
<b>Consolidated total assets</b>			<b><u>1,009,545</u></b>
 Segment liabilities	 99,868	 69,641	 169,509
Unallocated liabilities			<u>563,024</u>
<b>Consolidated total liabilities</b>			<b><u>732,533</u></b>
<b>Other segment information</b>			
Depreciation and amortisation	12,640	5,056	17,696
Capital expenditure	5,664	3,808	9,472
 Sales of Branded Consumer is analysed as:			
- Own Brands		146,304	
- 3 <sup>rd</sup> Party		<u>130,914</u>	
Total		<u>277,218</u>	

**Segmental revenue and results continued**

	<b>Cocoa Ingredients</b>	<b>Branded Consumer</b>	<b>Total</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b><u>Period ended 30 September 2009</u></b>			
<b>Sales:</b>			
- Total segment sales	690,291	219,421	909,712
- Inter-segment sales	<u>(15,663)</u>	<u>-</u>	<u>(15,663)</u>
Sales to external parties	<u>674,628</u>	<u>219,421</u>	<u>894,049</u>
 EBITDA	 19,298	 27,514	 46,812
 Finance costs			 (13,235)
Share of profit of associated companies			174
Income tax expense			(5,551)
Minority Interest			3,414
 <b>Assets and liabilities</b>			
Segment assets	608,338	189,528	797,866
Associated companies			2,200
Unallocated assets			<u>11,179</u>
<b>Consolidated total assets</b>			<b><u>811,245</u></b>
 Segment liabilities	 98,773	 56,501	 155,274
Unallocated liabilities			<u>444,943</u>
<b>Consolidated total liabilities</b>			<b><u>600,217</u></b>
 <b>Other segment information</b>			
Depreciation and amortisation	11,609	4,261	15,870
Capital expenditure	28,641	6,320	34,961
 Sales of Branded Consumer is analysed as:			
- Own Brands		114,269	
- 3 <sup>rd</sup> Party		<u>105,152</u>	
Total		<u>219,421</u>	

### Geographical segments

For period ended 30 September	Revenue		Capital expenditure	
	2010	2009	2010	2009
	US\$'000	US\$'000	US\$'000	US\$'000
Indonesia	231,520	170,963	3,805	6,271
Singapore	51,485	55,312	695	140
Philippines	42,469	31,377	347	306
Thailand	17,299	8,993	168	137
Malaysia	64,374	42,432	565	3,596
Japan	45,287	55,174	-	-
China	22,297	12,876	-	-
Middle East	45,655	25,929	-	-
Other countries in Asia	22,864	10,925	-	-
Australia	39,501	29,928	-	-
Europe	386,315	310,263	3,450	23,918
North America	43,806	47,379	-	-
South America	103,083	73,821	442	593
Africa	29,089	18,677	-	-
	<b>1,145,044</b>	<b>894,049</b>	<b>9,472</b>	<b>34,961</b>

### 13. Interested Person Transactions

	<sup>1</sup> Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	3Q 2010	9-month 2010
	US\$'000	US\$'000
<b>PT Freyabadi Indotama</b>		
- Sales of goods	2,665	7,559
- Purchase of products	3,584	9,739
	<b>6,249</b>	<b>17,298</b>
<b>PT Tri Keeson Utama</b>		
- Sales of goods	<b>1,864</b>	<b>9,480</b>
<b>PT Fajar Mataram Sedayu</b>		
- Sales of goods	99	201
- Purchase of goods	168	452
	<b>267</b>	<b>653</b>
<b>PT Sederhana Djaja</b>		
- Lease of properties	17	51
	<b>8,397</b>	<b>27,482</b>

**Note:** <sup>1</sup> 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