



**PETRA FOODS**  
LIMITED  
(Registration no. 198403096C)

**3<sup>rd</sup> Quarter & 9-Month 2010**  
**Financial Results**  
*(unaudited)*

**11 November 2010**



# Important note on forward-looking statements

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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.

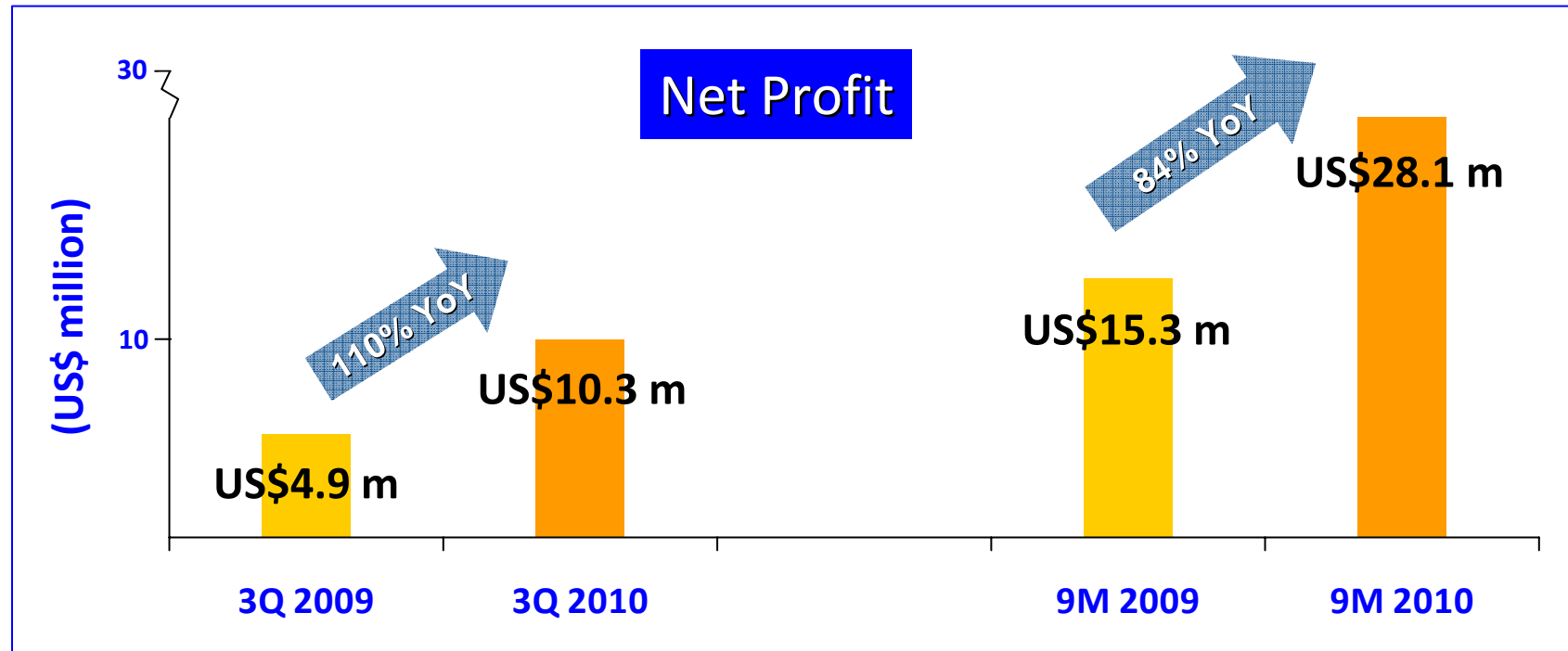
Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange rate fluctuations, 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

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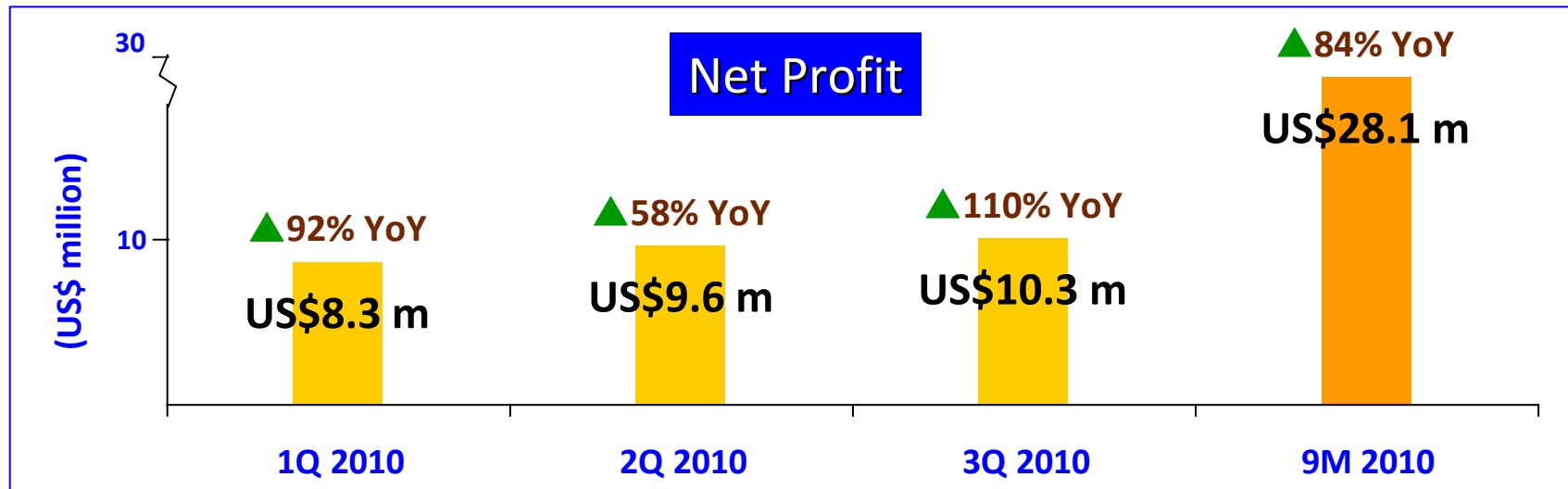
- Strong Earnings Achieved by the Group
- Successful Execution of Growth Strategy
- Earnings Snapshot
- Appendices
  - Petra's Investment Highlights
  - Successful Growth and Geographic Diversification of Group Revenue
  - Strict Hedging minimises impact to EBITDA yield
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## Strong Earnings Achieved by the Group



- Strong performance across all our Businesses
- Key Drivers of the strong performance - Higher sales volume, higher unit pricing and higher margins

# Successful Execution of Growth Strategy



- **Strong results reflect successful execution of Group's growth strategy, especially for Europe**
  - For **Cocoa Ingredients**, growing all our markets and further raising EBITDA yield through higher customised content in product mix (moving from generic to customised products)
  - For **Branded Consumer**, aggressive marketing, channel development and product innovation initiatives driving strong consumption growth of key brands
- **On track to deliver record earnings for FY 2010, barring unforeseen circumstances**
- **To further capitalise on the growth momentum:**
  - For **Cocoa Ingredients** - Adding 25,000 mt processing capacity in Indonesia (▲7% of Group capacity) by end-2011 to capitalise on strong growth momentum and Indonesia's strategic cost benefits
  - For **Branded Consumer** - Selectively increase capacity for certain key product lines

# Earnings Snapshot

In US\$ Million	3Q 2010	3Q 2009	YoY Change	9M 2010	9M 2009	YoY Change
<b>Sales</b>	<b>433.1</b>	<b>323.7</b>	<b>34%</b>	<b>1,145.0</b>	<b>894.0</b>	<b>28%</b>
Cocoa Ingredients	333.0	239.9	39%	867.8	674.6	29%
Branded Consumer	100.0	83.8	19%	277.2	219.4	26%
<b>EBITDA</b>	<b>27.7</b>	<b>17.7</b>	<b>57%</b>	<b>75.2</b>	<b>46.8</b>	<b>61%</b>
Cocoa Ingredients	14.7	7.4	99%	38.2	19.3	98%
Branded Consumer	13.0	10.3	26%	37.0	27.5	35%
<b>Profit Attributable to Shareholders</b>	<b>10.3</b>	<b>4.9</b>	<b>110%</b>	<b>28.1</b>	<b>15.3</b>	<b>84%</b>

*Figures may not add due to rounding.*

## ■ 9M 2010 Key Highlights

### ➤ Cocoa Ingredients

- ✓ Sales volume growth ▲8.5% as we continue to grow our markets
- ✓ EBITDA growth ▲98% achieved mainly due to continued strong improvement in Europe's performance

### ➤ Branded Consumer

- ✓ Strong sales growth driven by marketing and product innovation initiatives for our key brands
- ✓ Higher 9M 2010 Gross Profit margin ▲1.7% points YoY - From price increases; cost containment initiatives and benefit of the stronger Rupiah

Thank You

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# Appendices

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# Petra's Investment Highlights

## Quality Earnings

### Cocoa Ingredients

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

### Branded Consumer

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

## Business Model that Mitigates Risk

- Product customization and partnerships with customers build barriers to entry
- The key for the Cocoa Ingredients division is to focus on adding value and building partnerships with our customers
- Strict adherence to risk management practices mitigates exposure to cocoa bean price fluctuations

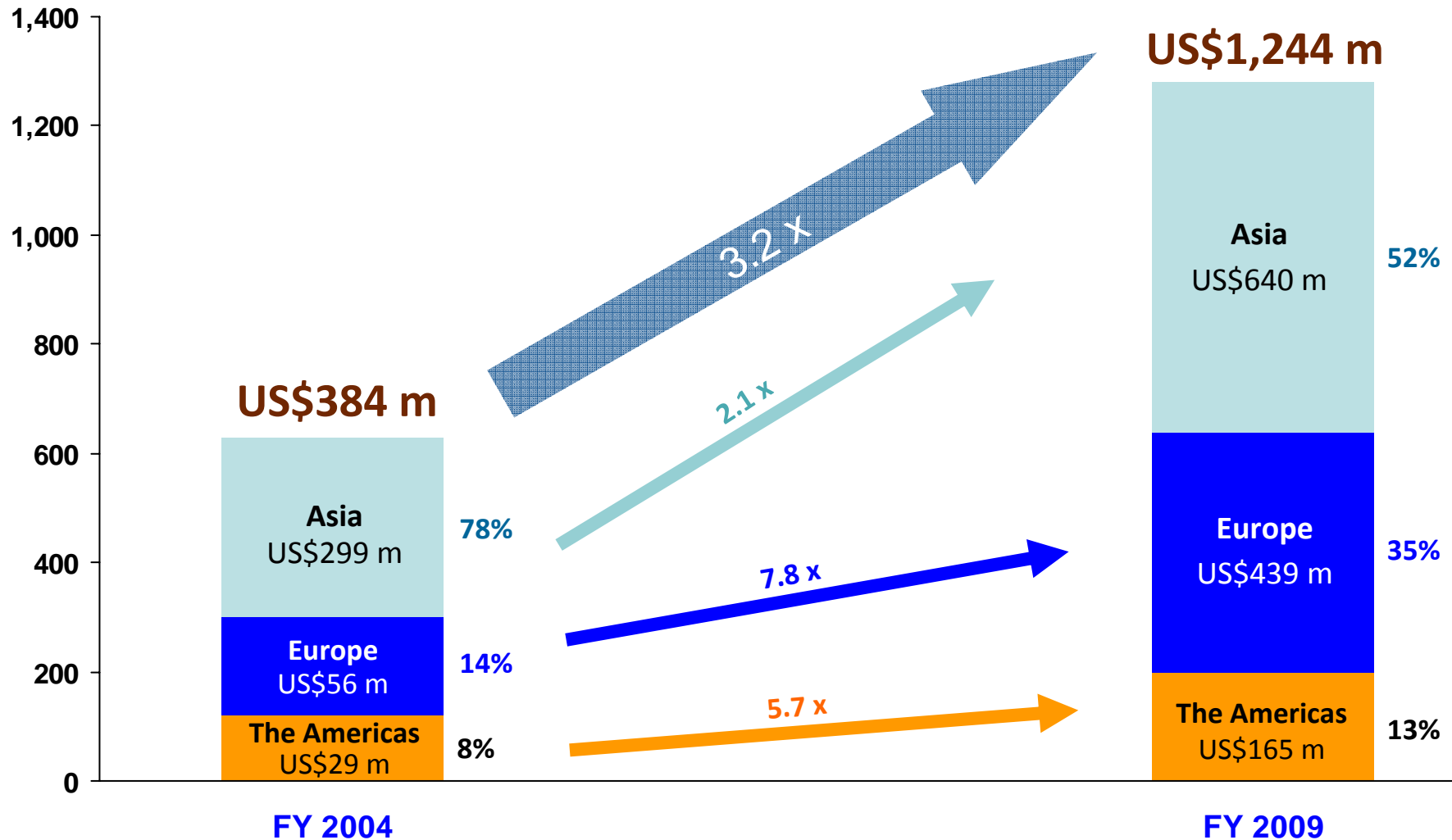
## Strong Management Team

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

A business model with two quality earnings streams

# Successful Growth and Geographic Diversification of Group Revenue

Revenue  
(US\$ Million)

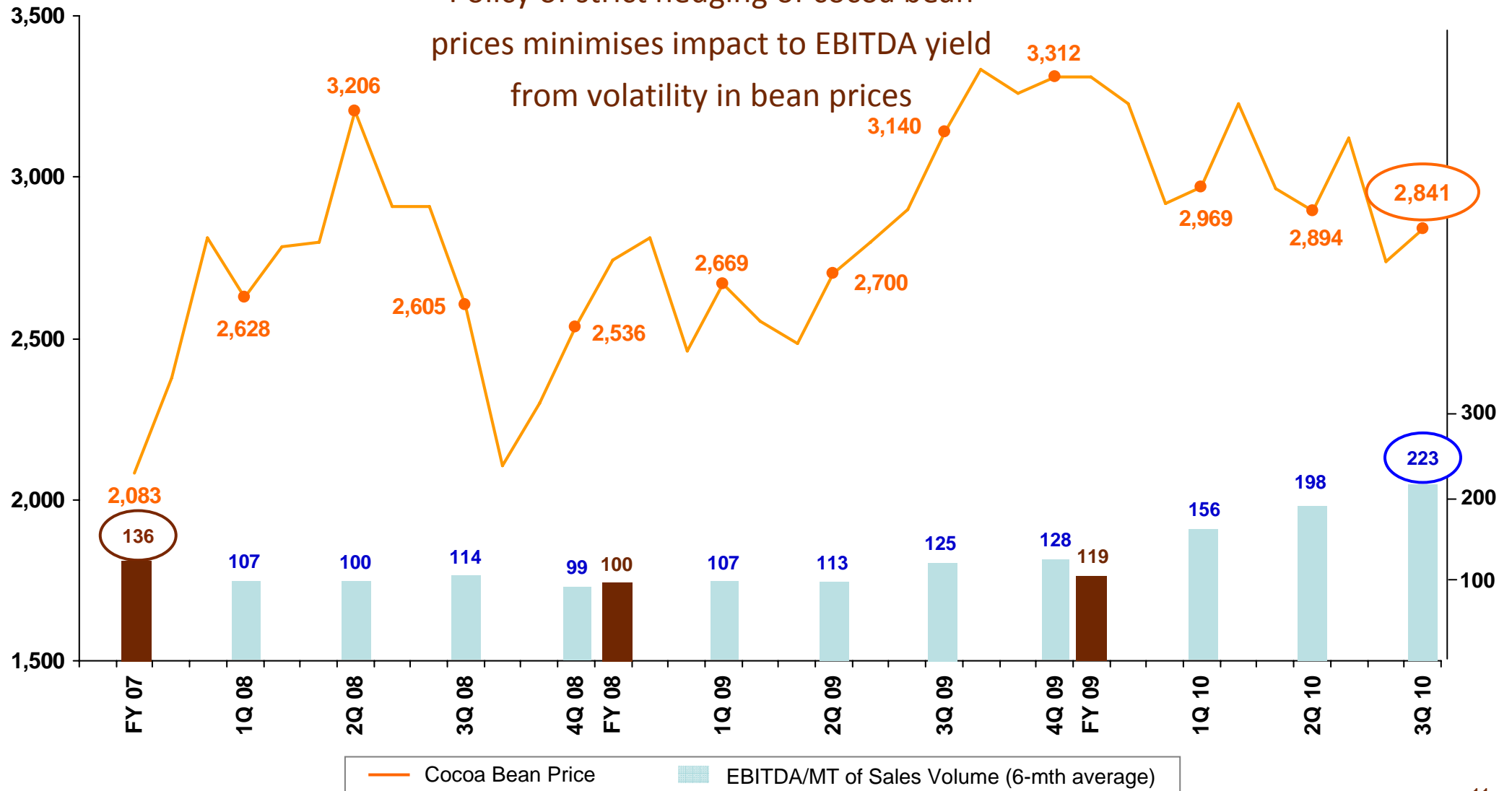


# Strict Hedging minimises impact to EBITDA yield

Cocoa Bean Price  
(US\$/Metric Tonne)

EBITDA Yield  
(US\$/Metric Tonne)

Policy of strict hedging of cocoa bean prices minimises impact to EBITDA yield from volatility in bean prices



# Financial Highlights

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# Balance Sheet & Cash Flow Analysis

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# Balance Sheet Analysis (Figures are at period end)

(US\$ Million)	30 Sep 10	31 Dec 09	Highlights (30 Sep 2010 vs 31 Dec 2009)
Cash and Cash Equivalents	21.4	18.3	
Trade Receivables	167.1	134.0	
Inventories	460.5	354.8	<ul style="list-style-type: none"> <li>Higher cocoa inventories on back of sharply higher bean prices.</li> </ul>
Other Assets	77.7	59.9	
Fixed Assets, Intangible Assets & Investments	282.8	294.5	<ul style="list-style-type: none"> <li>Decrease due to translational impact of Euro assets.</li> </ul>
<b>Total Assets</b>	<b>1,009.5</b>	<b>861.5</b>	<ul style="list-style-type: none"> <li>Increase in line with Group's enlarged business.</li> </ul>
Trade Payables	101.8	115.0	
Other Liabilities	78.1	64.1	
<b>Total Borrowings</b>	<b>552.6</b>	<b>462.3</b>	
Working Capital Facilities	354.5	251.8	<ul style="list-style-type: none"> <li>Increase in Trade Finance to fund higher inventories.</li> </ul>
Medium Term Note (MTN)	96.2	83.6	
Term Loan	101.9	126.9	
<b>Total Equity</b>	<b>277.0</b>	<b>220.1</b>	<ul style="list-style-type: none"> <li>Private placement of US\$60 million.</li> </ul>
<b>Key Ratios</b>			
Net Debt / Equity	1.92 x	2.02 x	} Strong Profit & Equity Placement strengthened financial position.
Adjusted Net Debt/Equity (excl Trade Finance & MTN)	0.38 x	0.70 x	
Current Ratio	1.35	1.19	
Inventory Days	111	95	<ul style="list-style-type: none"> <li>Higher cocoa inventories and effect of higher bean prices.</li> </ul>
Receivable Days	36	33	<ul style="list-style-type: none"> <li>New 3<sup>rd</sup> Party Agencies; trading terms for Europe's cocoa business.</li> </ul>
Payable Days	30	28	<ul style="list-style-type: none"> <li>In line with higher inventory days.</li> </ul>

Strong financial position

# Cash Flow Applications

(US\$ Million)

9 Months (2010)

<b>EBITDA</b>	<b>75.2</b>
<b>Less: Changes in Operating Cash Flow</b>	
Working Capital - Net of Trade Finance/MTN	(17.8)
Tax Expense paid	(16.3)
Interest Expense	(19.1)
<b>Operating Cash Flow</b>	<b>22.1</b>
<b>Less: Investing activities</b>	
Acquisition of Minority Interest	(13.2)
Capital Expenditure - Net of Disposals	(7.5)
<b>Free Cash Flow</b>	<b>1.4</b>
<b>Financing activities</b>	
Borrowings - Net of Repayments	(24.6)
Issue of Shares (Net)	60.3
Repayment of Working Capital Facilities	(21.2)
Dividend Payment	(12.7)
<b>Increase in Cash</b>	<b>3.1</b>

## Footnote

Borrowings at 30 Sep 2010

Total Credit Facilities (committed)

Headroom

Utilization

552.6

823.2

270.6

67.1%

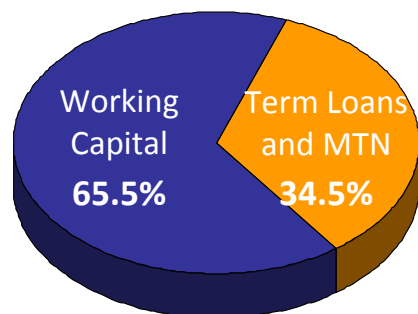
} Built headroom by raising US\$141m credit facilities.

NB: In addition, we have untapped MTN umbrella facilities of US\$132 million.

Adequate headroom and liquidity

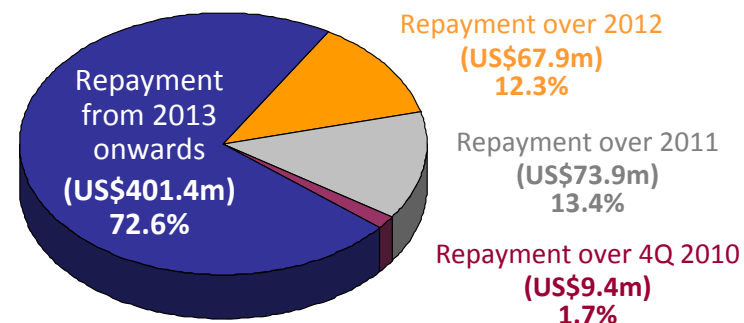
# Profile of Group Loan Portfolio

## Breakdown of Debt Facilities



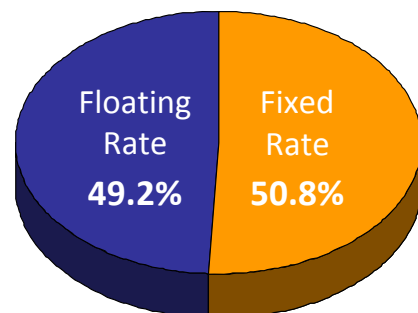
- The working capital facilities are revolving credit facilities to finance highly liquid assets (cocoa bean inventory)
- Furthermore, the beans inventory is for committed sales contracts to creditworthy counterparties

## Loan Repayment Schedule



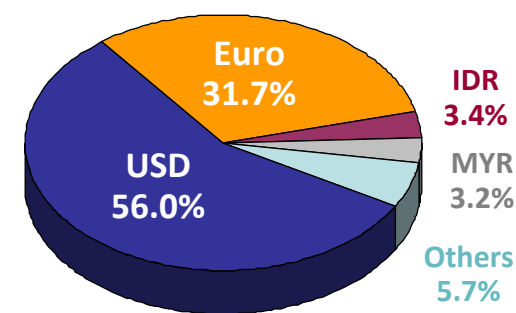
- For 2010 and 2011 portion, this could be funded through our strong internal cash flow
- Repayment schedules are back ended and evenly spread

## Floating & Fixed Rate Components of Loan



- Effective interest rate for Group - < 5.0% pa
- Strategy is to 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	3Q 2010	3Q 2009	YoY Change	9M 2010	9M 2009	YoY Change
Sales	433.1	323.7	33.8%	1,145.0	894.0	28.1%
Cocoa Ingredients	333.0	239.9	38.8%	867.8	674.6	28.6%
Branded Consumer	100.0	83.8	19.4%	277.2	219.4	26.3%
EBITDA	27.7	17.7	56.5%	75.2	46.8	60.6%
Cocoa Ingredients	14.7	7.4	98.7%	38.2	19.3	97.8%
Branded Consumer	13.0	10.3	26.3%	37.0	27.5	34.5%
Finance Cost	(6.8)	(4.8)	40.5%	(18.8)	(13.2)	42.4%
Profit Before Tax	14.9	6.4	135.0%	37.8	17.4	117.1%
Profit After Tax & MI	10.3	4.9	109.9%	28.1	15.3	84.4%
Capex	2.6	6.0	(56.9%)	9.5	35.0	(72.9%)

Figures may not add due to rounding.

# Group 9M Half Financial Highlights (cont'd)

	9M 2010	9M 2009	Change (%)
<b>EPS</b>	5.00 US cents	2.87 US cents	74.4%
	As at 30 Sep 2010	31 Dec 2009 Audited Figures	
Net Debt/Equity	1.92 x	2.02 x	
Adjusted Net Debt/Equity (excluding Trade Finance and MTN)	0.38 x	0.70 x	

# Cocoa Ingredients Division

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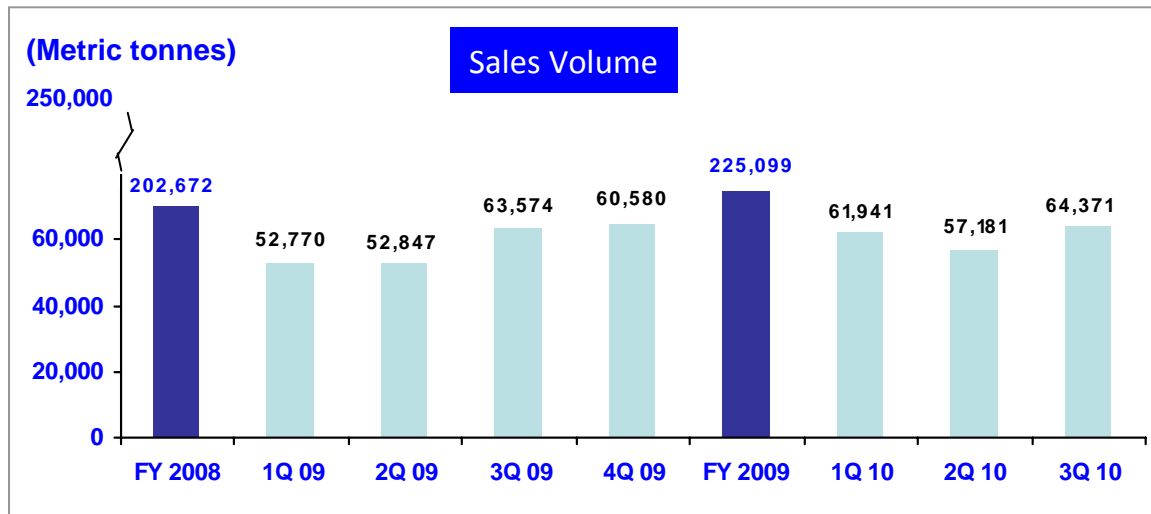
# Cocoa Ingredients - Financial Highlights

(in US\$ Million)	3Q 2010	3Q 2009	YoY Change	9M 2010	9M 2009	YoY Change
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-month 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%

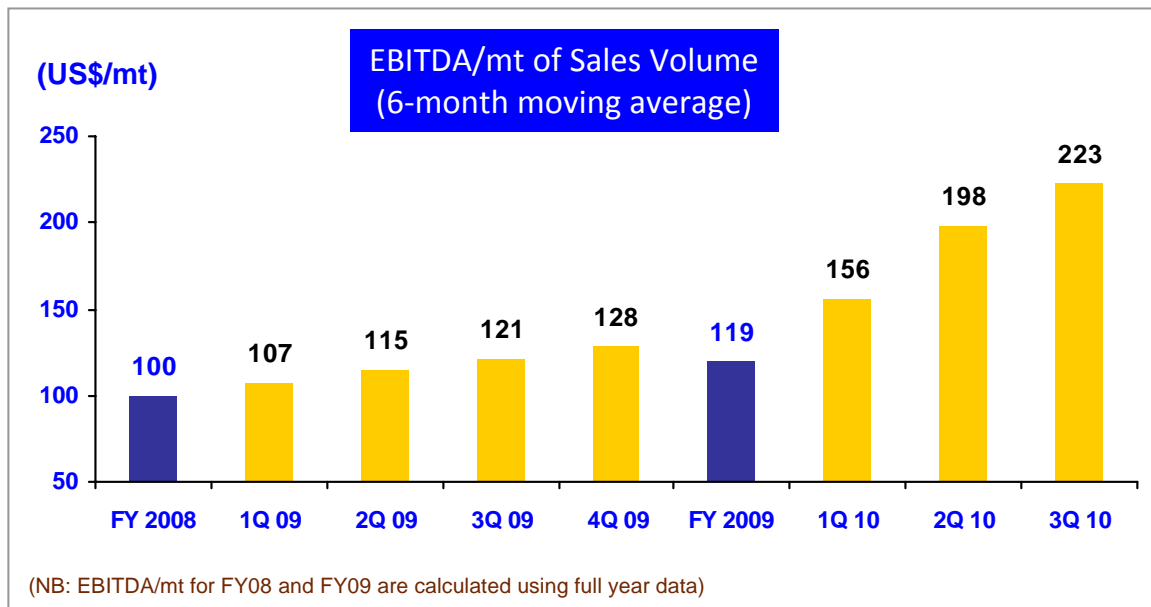
## Key Comments

- Sales volume growth achieved as we continued to grow our markets and our customer base
- All regions (particularly Europe) achieved higher EBITDA yield

# Cocoa Ingredients - Financial Highlights



- Robust volume growth of 8.5% in 9M 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 3Q and 9M 2010
- The higher EBITDA yield achieved reflected greater proportion of sales of higher margin customised cocoa ingredients and Europe's turnaround

# Branded Consumer Division

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## Branded Consumer - Financial Highlights

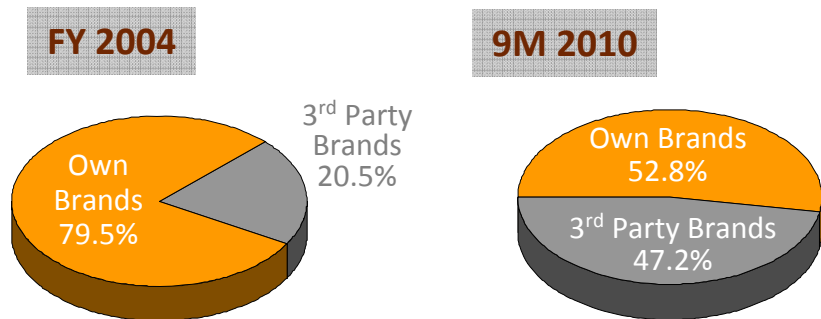
(in US\$ Million)	3Q 2010	3Q 2009	YoY change	9M 2010	9M 2009	YoY change
Revenue	100.0	83.8	+ 19.4%	277.2	219.4	+ 26.3%
- Indonesia	70.7	56.4	+ 25.4%	192.2	145.8	+ 31.8%
- Regional Market	29.3	27.4	+ 7.1%	85.0	73.6	+ 15.5%
Gross Profit Margin	31.4%	29.8%	+ 1.6% pt	30.6%	28.9%	+ 1.7% pt
EBITDA	13.0	10.3	+ 26.4%	37.0	27.5	+ 34.5%

### Key Comments

- Revenue growth driven by higher Own Brands and 3<sup>rd</sup> Party Brands sales
- Higher 9M 2010 Gross Profit Margin - Driven by January 2010 price increases for Own Brands products plus support from strong local currency appreciation

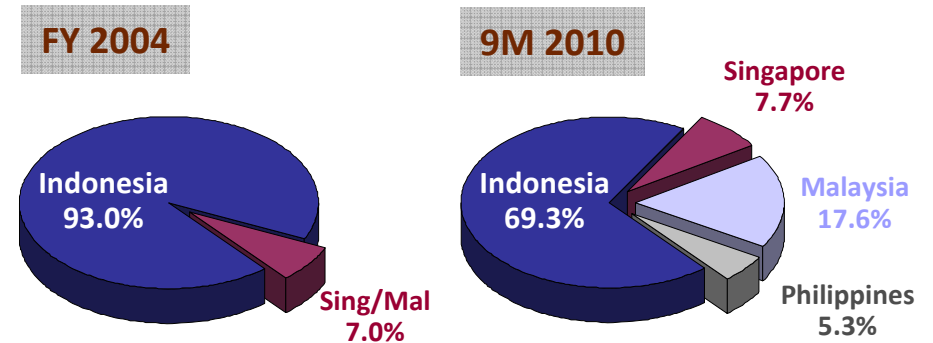
# Branded Consumer - Financial Highlights

## Own Brands vs 3<sup>rd</sup> Party Brands



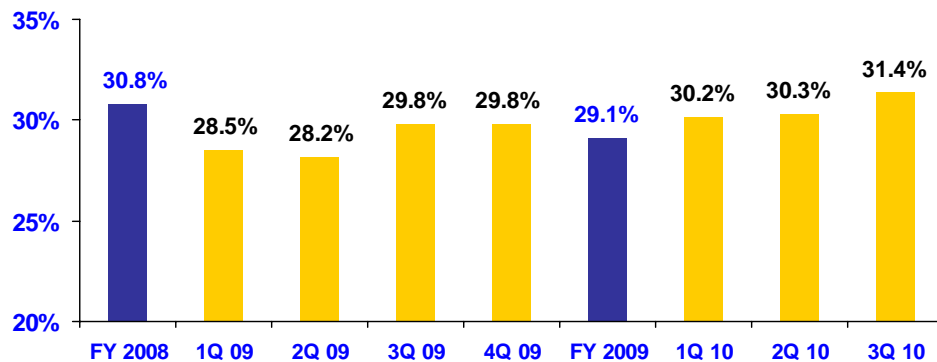
- In addition to driving strong Own Brands sales, we have built a successful 3<sup>rd</sup> Party Brands distribution business

## Geographic Revenue Breakdown



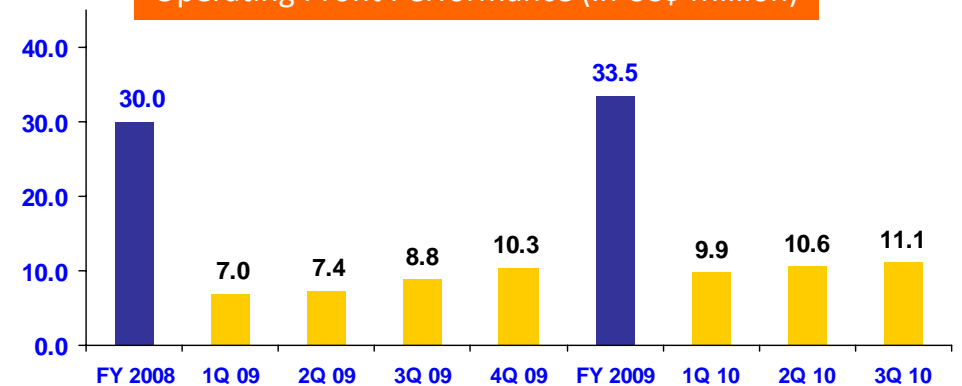
- Successfully developed the regional business complementing strong growth in Indonesia

## Gross Profit Margin Trends



- The higher gross profit margin was driven by the strong performance of Own Brands

## Operating Profit Performance (in US\$ Million)



- For 3Q 2010, higher operating profit driven by higher revenue and higher margins achieved