

## FOR IMMEDIATE RELEASE

### Petra Foods' 3Q 2010 net profit doubles to US\$10.3 million on continued strong performance

- *Boosted by higher sales volume, unit pricing and margins achieved by the Branded Consumer and Cocoa Ingredients divisions*

Financial Highlights (US\$'million)	3 months ended 30 September			9 months ended 30 September		
	Jul-Sep 2010	Jul-Sep 2009	Change (%)	Jan-Sep 2010	Jan-Sep 2009	Change (%)
Revenue	433.1	323.7	↑ 33.8	1,145.0	894.0	↑ 28.1
Gross Profit	53.4	35.6	↑ 49.7	143.6	98.8	↑ 45.3
EBITDA	27.7	17.7	↑ 56.5	75.2	46.8	↑ 60.6
Profit before tax	14.9	6.4	↑ 135.0	37.8	17.4	↑ 117.1
Net profit attributable to shareholders	10.3	4.9	↑ 109.9	28.1	15.3	↑ 84.4

**SINGAPORE - 11 November 2010 - Petra Foods Limited** ("Petra Foods" or the "Group"), one of the world's major manufacturers and suppliers of cocoa ingredients, as well as a leading player in branded consumer confectionary products regionally, today announced continued strong growth in the third quarter ended 30 September 2010 ("3Q 2010").

Boosted by higher sales volume, higher unit pricing and higher margins achieved by both its Cocoa Ingredients and Branded Consumer divisions, the Group's net profit attributable to shareholders rose 109.9% to US\$10.3 million in 3Q 2010, on the back of a 33.8% increase in sales to US\$433.1 million. EBITDA improved 56.5% to US\$27.7 million in the same period.

The latest set of results lifted the Group's net profit attributable to shareholders for the first 9 months of 2010 ("9M 2010") to US\$28.1 million, representing growth of 84.4%. EBITDA rose 60.6% to US\$75.2 million.

Based on the weighted average number of ordinary shares in issue, earnings per share rose 82.6% from 0.92 US cents in 3Q 2009 to 1.68 US cents in 3Q 2010. Net asset value per ordinary share as at 30 September 2010 was 45.3 US cents, up from 39.0 US cents as at 31 December 2009.

## SEGMENTAL REVIEW

### Branded Consumer Division

Financial Highlights (US\$ million)	3 months ended 30 September			9 months ended 30 September		
	3Q 2010	3Q 2009	% Change Y-o-Y	9M 2010	9M 2009	% Change Y-o-Y
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>Total 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
EBITDA	13.0	10.3	↑26.4	37.0	27.5	↑34.5

The Branded Consumer Division achieved revenue growth of 19.4% to US\$100 million and EBITDA growth of 26.4% to US\$13.0 million in 3Q 2010. The key drivers were i) higher sales in both the Indonesia and Regional Markets for Own Brands and Third Party Brands; and ii) improvement in gross profit margin year-on-year as well as for three sequential quarters. The margin improvement was mainly driven by higher Own Brands margin as a result of the price increases implemented in January this year, cost containment initiatives and the strong local currency appreciation (particularly the Indonesian Rupiah).

In Indonesia, sales grew 25.4% to US\$70.7 million, underscoring the stronger domestic economy and success of the marketing initiatives and new products launched in the last 18 months. Third Party Brands sales delivered strong double digit revenue improvement boosted by organic growth achieved by existing agencies.

The 7.1% sales increase in the Regional Markets also reflected the stronger domestic economies and the results of the Group's strategy in deepening its penetration into the different channels and regions, as well as growing its Own Brands and Third Party Brands.

## Cocoa Ingredients Division

Financial Highlights (US\$ million)	3 months ended 30 September			9 months ended 30 September		
	3Q 2010	3Q 2009	% Change Y-o-Y	9M 2010	9M 2009	% Change Y-o-Y
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

Similarly, the Cocoa Ingredients Division registered a set of strong results in 3Q 2010. Sales jumped 38.8% to US\$333.0 million on the back of a 2.8% increase in sales volume to 64,371 mt due to continued strong demand from existing global customers and new customers. EBITDA recorded an impressive 98.7% jump to US\$14.7 million, boosted by the higher sales volume and EBITDA yield which increased 84.3% to US\$223/mt. The improved EBITDA yield reflected the higher shipment of premium products especially in Europe which is now making a positive EBITDA contribution.

## Business Prospects

Strong industry fundamentals such as consolidation of the cocoa ingredient industry and the increasing trend for brand owners to outsource their production are expected to drive the Cocoa Ingredients Division, while the positive sales momentum for Own Brands and Third Party Brands, which are supported by continued innovation and aggressive marketing, will further lift the Branded Consumer Division.

“Barring unforeseen circumstances, we expect to achieve record earnings for FY 2010 coming from the strong earnings momentum of the two divisions. To capitalise 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. Petra Foods has a strong business model which is underpinned by two complementary businesses and coupled with the fact that we operate in a growing cocoa and chocolate industry, we have every reason to remain optimistic about the Group’s prospects,” concluded Mr John Chuang, Chief Executive Officer of Petra Foods.

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**Issued on behalf of Petra Foods Limited**

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**ABOUT PETRA FOODS LIMITED**

Listed on the SGX-ST since 5 November 2004, Petra Food Limited and its subsidiaries (“the Group”) is one of the world’s major manufacturers and suppliers for premium cocoa ingredients, namely cocoa powder, cocoa butter and cocoa liquor. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products in the ASEAN region, for which it is the market leader in Indonesia.

The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer**.

**Cocoa Ingredients Division**

The Group manufactures and sells cocoa ingredients, under the “Delfi” brand, to over 30 countries worldwide. Its major customers are international food and beverage companies such as Nestlé, Kraft, Cadbury, the Mars Group, Arnott’s, A.B. Foods, Barry Callebaut and the Meiji Group.

**Branded Consumer Division**

The Group manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China. Petra Foods has an established portfolio of chocolate confectionery brands which are household names in Indonesia include 10 master brands and 20 key sub brands and manufactures over 300 stock keeping units. Its flagship brands in Indonesia include “SilverQueen” and “Ceres” that were introduced in the 1950s and “Delfi” in the 1980s. In addition, the Group also distributes a well-known portfolio of 3<sup>rd</sup> Party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods has seven cocoa processing facilities (located in Indonesia, Malaysia, the Philippines, Thailand, Brazil, Mexico and Germany), one cocoa butter facility (located in France), two chocolate confectionery production facilities (located in Indonesia and the Philippines) and a total staff strength close to 6,000.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003. In addition, it was recognised as the “Best Newly Listed Singapore Company in 2004” in AsiaMoney’s Best Managed Companies Poll 2004. Petra Foods was named the “Enterprise of the Year 2004” by the 20<sup>th</sup> Singapore Business Awards on 30 March 2005 and was named one of “Singapore’s 15 Most Valuable Brands” in November 2005 by IE Singapore.

Petra Foods won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006 at the Singapore Corporate Awards. In April 2009, it clinched a Gold award in the “Best Annual Report/ Companies with \$300 million to less than \$1 billion in market capitalisation” category. In May 2010, it bagged two Silver awards for “Best Managed Board” and “Best Investor Relations” under the “companies with \$300 million to less than \$1 billion in market capitalisation” category.