

Petra Foods starts 2011 with 63.8% jump in 1Q Net Profit to US\$13.6 million

- *Strong performance driven by higher sales all-round, and higher EBITDA yield of its Cocoa Ingredients Division*
- *Barring unforeseen circumstances, another year of strong growth ahead in FY2011*

1 st Quarter Financial Highlights (US\$ Million)	3 months ended 31 March		
	2011	2010	% Change
Revenue	433.1	338.7	↑27.9
Gross Profit	59.1	41.0	↑44.2
EBITDA	30.4	23.1	↑31.9
Profit before tax	17.8	10.6	↑68.7
Net Profit Attributable to Shareholders	13.6	8.3	↑63.8

SINGAPORE - 12 May 2011 - Petra Foods Limited (“Petra Foods” or the “Group”), one of the world’s major manufacturers and suppliers of cocoa ingredients and a leading regional player in branded consumer confectionary products, continued its growth momentum in 2010 with a strong start to 2011. The Group today announced that its net profit attributable to shareholders jumped 63.8% to US\$13.6 million for the first quarter ended 31 March 2011 (“1Q 2011”).

Revenue and EBITDA during the period rose 27.9% to US\$433.1 million and 31.9% to US\$30.4 million respectively, driven by higher sales from the Cocoa Ingredients and Branded Consumer Divisions, as well as higher EBITDA yield of the Cocoa Ingredients Division.

Based on the weighted average number of ordinary shares in issue, earnings per share for 1Q 2011 rose to 2.22 US cents while net asset value per share as at 31 March 2011 was 51.0 US cents.

SEGMENTAL REVIEW

Branded Consumer Division

1st Quarter Financial Highlights (US\$ Million)	3 months ended 31 March		
	2011	2010	% Change Y-o-Y
Indonesia	77.2	60.8	↑27.0
The Regional Markets	32.7	26.4	↑23.6
Total Branded Consumer Revenue	109.9	87.2	↑26.0
Gross Profit Margin (%)	30.3%	30.2%	↑0.1% pt
EBITDA	14.2	11.9	↑18.9

During the period, the robust momentum in 2010, coupled with higher sales growth for both Own Brands and Agency (3rd Party) Brands, propelled the Branded Consumer Division to a continued strong performance. Revenue was 26.0% higher Y-o-Y at US\$109.9 million, and EBITDA rose 18.9% to US\$14.2 million.

In Indonesia, Petra Foods' Branded Consumer Division again demonstrated the strength and depth of its impressive portfolio of leading brands, achieving broad-based growth across all categories. The strong sales growth of the Group's major brands which generated double digit growth were driven by the stronger domestic economy, robust brand development programmes as well as gains from new products launched over the last 18 months. Agency Brands also achieved strong double digit revenue growth, driven mainly by organic growth achieved by existing agencies during the period.

While in the regional markets of Philippines, Malaysia and Singapore sales of Own Brands were higher 34.7% Y-o-Y. This was a result of improved domestic economies as well as the success of the Division's strategy of growing Own Brands, particularly in the Philippines.

Cocoa Ingredients Division

1 st Quarter Financial Highlights (US\$ Million)	3 months ended 31 March		
	2011	2010	% Change Y-o-Y
Revenue	323.2	251.5	↑28.5
EBITDA	16.2	11.1	↑45.9
EBITDA/mt (6 months moving average) in US\$	236	156	↑51.3
Sales volume (mt)	68,329	61,941	↑10.3

As a result of higher sales volume and the stronger EBITDA yield achieved, the Cocoa Ingredients Division's 1Q 2011 EBITDA rose 45.9% Y-o-Y to US\$16.2 million. Revenue for the quarter also increased 28.5% to US\$323.2 million, in spite of the recent political instability in the Ivory Coast which resulted in temporary disruption in cocoa bean supply and sharp volatility in bean prices.

In response, the Group had put into place contingency measures by sourcing from alternative origins thereby ensuring that production was unaffected. In addition, the Group's robust cost-pass-through business model enabled it to mitigate the effect of price volatility, and the Group's financial performance remained unaffected.

The Division's solid performance reflected continued strong demand from its global customers, the focus on premium products and the continued improvement of its Europe operations which saw a significant improvement in net profit both Y-o-Y and Q-o-Q.

BUSINESS PROSPECTS

Mr John Chuang, Petra Food's Chief Executive Officer said: "We expect the operating environment for our two core businesses to remain robust. We intend to further grow our key markets to capitalise on the compelling demand for high-end customised products and the strong regional consumption growth."

Going forward, Petra Foods will invest in additional production capacity to satisfy the high demand for customised cocoa products, as well as to enable expansion into new product categories by the Branded Consumer Division. The Group will also move towards strengthening its global supply chain for its Cocoa Ingredients Division through increased sourcing initiatives in key origin locations, so as to mitigate supply risk, drive cost benefits, and garner improved quality of beans.

With the continued momentum of its Core Businesses, Petra Foods looks forward to another year of growth in FY2011 barring unforeseen circumstances.

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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, 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, 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 3rd 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 of 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 20th 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.

Issued on behalf of Petra Foods Limited

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