

Petra Foods Limited
Unaudited Financial Statements and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

TABLE OF CONTENTS

1(a)	Income Statement	2
1(b)	Balance Sheet	5
1(c)	Cash Flow Statement	9
1(d)	Statement of Changes in Equity	11
2	Audit	13
3	Auditors' Report	13
4	Accounting Policies	13
5	Changes in Accounting Policies	13
6	Earnings per Ordinary Share	14
7	Net Asset Value per Share	14
8	Review of Group Performance	15
9	Variance from Prospect Statement	20
10	Prospects	21
11	Dividend	22
12	Segment Information	23
13	Interested Person Transactions	25

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		
		2Q ended 30 June			Half Year ended 30 June		
		2011	2010	%	2011	2010	%
		US\$'000	US\$'000		US\$'000	US\$'000	
Sales	1	432,285	373,256	15.8	865,372	711,962	21.5
Cost of Sales	2	(371,201)	(324,014)	14.6	(745,174)	(621,725)	19.9
Gross Profit		61,084	49,242	24.0	120,198	90,237	33.2
Other operating income		1,780	(1,330)	NM	3,892	2,260	72.2
Selling and distribution costs		(23,787)	(20,945)	13.6	(50,260)	(40,455)	24.2
Administrative expenses		(10,536)	(8,001)	31.7	(20,088)	(16,404)	22.5
Finance costs	3	(7,140)	(6,222)	14.8	(14,085)	(12,056)	16.8
Other operating expenses		(1,976)	(326)	NM	(2,582)	(713)	NM
		19,425	12,418	56.4	37,075	22,869	62.1
Share of results of associated and Joint venture companies		(111)	(157)	(29.3)	78	(36)	NM
Profit before tax		19,314	12,261	57.5	37,153	22,833	62.7
Income tax expense		(4,413)	(2,667)	65.5	(8,692)	(4,959)	75.3
Net Profit	4	14,901	9,594	55.3	28,461	17,874	59.2
Attributable to:							
Equity holders of the company		14,807	9,594	54.3	28,367	17,874	58.7
Non controlling interests		94	-	NM	94	-	NM
		14,901	9,594	55.3	28,461	17,874	59.2
EBITDA	5	32,824	24,579	33.5	63,228	47,634	32.7
Earnings per share (US cents) - Basic and Diluted ^{a,b}		2.42	1.76	37.5	4.64	3.32	39.8
Return on equity					18.4% ^c	17.7% ^d	0.7%pt

a As there are no potentially dilutive ordinary shares, diluted Earnings per Share is the same as basic Earnings per share.

b EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000. On 16 June 2010, the Company issued and allotted 78,880,000 new shares which for the purpose of computing the EPS for 2Q 2010 and 1H 2010, the weighted number of shares of 544,412,000 shares and 537,378,000 shares were used respectively.

c For comparative purposes, ROE is computed based on the annualized 1H 2011 net profit attributable to equity holders of the company divided by average shareholders equity.

d Relates to full year 2010 audited figures.

Explanatory notes on income statement

Note 1 - Breakdown of Sales by Division

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	Change	2011	2010	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Cocoa Ingredients Division	324,046	283,307	14.4	647,212	534,781	21.0
Branded Consumer Division	108,239	89,949	20.3	218,160	177,181	23.1
	<u>432,285</u>	<u>373,256</u>	15.8	<u>865,372</u>	<u>711,962</u>	21.5

Note 2 - Cost of Sales

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	Change	2011	2010	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Cost of goods sold	365,146	327,052	11.6	737,556	625,056	18.0
Cost of services	4,743	3,444	37.7	8,666	7,028	23.3
	<u>369,889</u>	<u>330,496</u>	11.9	<u>746,222</u>	<u>632,084</u>	18.1
Transfer from cash flow hedge reserve - cocoa bean and forex derivatives	(265)	(3,020)	(91.2)	1,856	(6,991)	NM
Other adjustments to cost of sales:						
- Fair value loss/(gain) on cocoa bean derivatives	4,086	(7,453)	NM	2,937	(11,920)	NM
- Fair value (gain)/loss on foreign exchange derivatives	(396)	3,389	NM	(2,048)	7,870	NM
Net foreign exchange (gain)/loss	(2,113)	602	NM	(3,793)	682	NM
Cost of Sales	<u>371,201</u>	<u>324,014</u>	14.6	<u>745,174</u>	<u>621,725</u>	19.9

Note 3 - Finance Costs (Net)

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	Change	2011	2010	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Interest Expense	6,123	5,486	11.6	12,447	10,513	18.4
Transfer from cash flow hedge - interest rate swaps	1,045	771	35.5	1,808	1,676	7.9
	<u>7,168</u>	<u>6,257</u>	14.6	<u>14,255</u>	<u>12,189</u>	16.9
Net foreign exchange gains	(28)	(35)	(20.0)	(170)	(133)	27.8
Total finance costs	<u>7,140</u>	<u>6,222</u>	14.8	<u>14,085</u>	<u>12,056</u>	16.8

Note 4 - Net Profit

Net Profit is arrived after (deducting)/crediting the following:

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	Change	2011	2010	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	(5,990)	(5,738)	4.4	(12,054)	(11,973)	0.7
Amortisation of intangible assets	(116)	(105)	10.5	(220)	(219)	0.5
Net foreign exchange (loss)/gain	452	1,750	(74.2)	808	97	NM
(Under)/Over provision of tax in prior years	(688)	(7)	NM	(550)	257	NM
Gain on disposal of property, plant and equipment	44	317	(86.1)	176	384	(54.2)
Impairment loss on trade receivables	(4)	(4)	-	(7)	(25)	(72.0)
Inventories written off	(175)	(535)	(67.3)	(445)	(762)	(41.6)
Allowance made for inventory obsolescence	(384)	(696)	(44.8)	(831)	(1,299)	(36.0)

Note 5 - EBITDA

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	Change	2011	2010	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Profit Before Tax	19,314	12,261	57.5	37,153	22,833	62.7
Interest expense	7,168	6,257	14.6	14,255	12,188	17.0
Fair value loss/(gain) on interest rate derivatives	306	238	NM	(370)	490	NM
Interest income	(70)	(20)	250.0	(84)	(69)	21.7
Depreciation of property, plant and equipment	5,990	5,738	4.4	12,054	11,973	0.7
Amortisation of intangible assets	116	105	10.5	220	219	0.5
EBITDA	32,824	24,579	33.5	63,228	47,634	32.7

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-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		30,302	42,782	12,372	27,375
Derivative assets		15,325	11,451	14,516	11,451
Trade receivables		173,078	164,964	249,629	251,304
Inventories	1	462,547	491,362	11,488	9,397
Tax recoverable		10,280	9,205	605	-
Other current assets		54,227	33,518	22,346	12,968
		745,759	753,282	310,956	312,495
Non-current assets					
Investments in subsidiaries		-	-	124,804	124,092
Investments in associated companies		3,294	3,065	3,264	3,265
Receivables from subsidiaries		-	-	81,273	74,956
Loans to associated company		2,549	2,531	-	-
Property, plant and equipment	3	272,409	255,604	1,591	1,175
Intangibles assets		22,139	21,105	1,784	1,784
Deferred income tax assets		17,945	17,464	-	-
Other non-current assets		849	798	13	21
		319,185	300,567	212,729	205,293
Total Assets		1,064,944	1,053,849	523,685	517,788
LIABILITIES					
Current liabilities					
Trade payables		116,711	122,317	54,728	51,713
Other payables		49,826	55,960	8,315	11,920
Current income tax liabilities		5,263	5,149	1,005	-
Derivative liabilities		17,604	10,975	9,344	7,000
Borrowings	4	429,758	441,524	149,172	161,585
		619,162	635,925	222,564	232,218
Non-current liabilities					
Borrowings	4	106,800	107,591	75,749	70,073
Deferred income tax liabilities		4,369	5,917	580	330
Provisions for other liabilities and charges		11,365	10,314	-	-
		122,534	123,822	76,329	70,403
Total liabilities		741,696	759,747	298,893	302,621
NET ASSETS		323,248	294,102	224,792	215,167
Capital and reserves attributable to the Company's equity holders					
Share capital		155,951	155,951	155,951	155,951
Foreign currency translation reserve		5,651	(1,962)	-	-
Other reserves		1,979	(1,114)	4,316	(227)
Retained earnings		159,083	141,227	64,525	59,443
		322,664	294,102	224,792	215,167
Non controlling interest	2	584	-	-	-
Total equity		323,248	294,102	224,792	215,167

Explanatory notes on statement of Financial Position

Note 1 - Inventories

A breakdown of the Group's inventories was as follows:

	30 June 2011	31 December 2010
	<u>US\$'000</u>	<u>US\$'000</u>
Cocoa Ingredients	412,755	428,767
Branded Consumer	49,792	62,595
	<u>462,547</u>	<u>491,362</u>

Compared to end FY2010, the Group's lower inventories at 30 June 2011 was the result of tighter inventories management across both divisions.

Note 2 - Investment in Subsidiaries and Non-Controlling interest

To further broaden the Group's product portfolio, the Company, on 25 March 2011, entered into a shareholders' and share subscription agreement through which it acquired 60% equity in Ceres Super Pte Ltd, a newly incorporated company in Singapore which will undertake the marketing and distribution of instant coffee-mix and other convenience beverages in Indonesia for a cash consideration of US\$0.72 million. The remaining 40% equity is held by Super Group Ltd, a leading brand-owner and manufacturer of 3-in-1 instant coffee, beverages and convenience foods in South-East Asia.

Note 3 - Capital Expenditure on Property, Plant and Equipment

	2Q 2011	2Q 2010	Change	1H 2011	1H 2010	Change
	<u>US\$'000</u>	<u>US\$'000</u>	%	<u>US\$'000</u>	<u>US\$'000</u>	%
Cocoa Ingredients	10,542	1,882	460.1	13,358	4,008	233.3
Branded Consumer	2,249	2,073	8.5	3,558	2,888	23.2
	<u>12,791</u>	<u>3,955</u>	223.4	<u>16,916</u>	<u>6,896</u>	145.3

The Group's higher 1H 2011 capital expenditure was to support the growth momentum for its two businesses.

Note 4 - Borrowings

	Group		Company	
	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bank overdraft	7,145	47,415	27	672
Bank borrowings	69,045	92,623	4,634	20,012
MTN	135,234	97,523	135,234	97,523
Finance lease liabilities	3,276	1,669	513	566
Trade finance and short term advances	321,858	309,885	84,513	112,885
	536,558	549,115	224,921	231,658
Breakdown of borrowings:				
Current	429,758	441,524	149,172	161,585
Non current	106,800	107,591	75,749	70,073
	536,558	549,115	224,921	231,658

In 1H 2011, the Company raised US\$57.1 million of Medium Term Notes (US\$50.9 million equivalent) and Term Loan (US\$6.2 million) to refinance its borrowings due in 2011 (see para 1(c) - Cash flow from financing activities).

Note 5 - Key Ratios

	Group	
	30-Jun-11	31-Dec-10
Current Ratio	1.20	1.18
Average Inventory Days	117	113
Average Receivable Days	36	35
Net Debt to Equity	1.57	1.72
Adjusted Net Debt to Equity*	0.34	0.34

* Note: The Adjusted Net Debt to Equity Ratio is adjusted for banking facilities (i.e. excluding Trade Finance & MTN) used to finance cocoa inventories.

Despite the lower inventories value at 30 June 2011 (as noted in Note 1 on Page 6), the increase in Average Inventory Days computed is attributable to the higher average value of inventories for 1H 2011, as compared to that of FY 2010.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

	Group		Company	
	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Amount repayable in one year or less, or on demand				
- Secured	168,954	165,104	157	155
- Unsecured	260,804	276,420	149,015	161,430
	429,758	441,524	149,172	161,585
Amount repayable after one year				
- Secured	25,380	28,163	356	411
- Unsecured	81,420	79,428	75,393	69,662
	106,800	107,591	75,749	70,073

Details of collateral

Total bank borrowings of US\$194.3 million obtained by the Group 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	Half Year ended	
		30-Jun-11	30-Jun-10
		<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities			
Profit before tax		37,153	22,833
Adjustments:			
Depreciation and amortization		12,274	12,192
Property, plant and equipment written off		-	173
Gain on disposal of property, plant and equipment		(176)	(384)
Interest (income)		(84)	(69)
Interest expense		14,255	12,189
Fair value of derivatives		(402)	(1,324)
Net foreign exchange gain		(170)	(133)
Share of (gain)/loss from associated companies		(78)	36
Operating cash flow before working capital changes		<u>62,772</u>	<u>45,513</u>
Change in working capital			
Inventories		28,815	(96,306)
Trade and other receivables		(20,632)	(22,793)
Trade and other payables		(10,100)	17,973
Cash generated/(used in) from operations		<u>60,855</u>	<u>(55,613)</u>
Interest received		84	69
Income tax paid		(11,089)	(11,995)
Net cash provided by/(used in) operating activities		<u>49,850</u>	<u>(67,539)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	1	(14,611)	(6,431)
Acquisition of remaining interest in a subsidiary		-	(13,187)
Non-controlling interest contribution in subsidiary	2	490	-
Payments for patents & trademarks		(25)	(29)
Proceeds from disposals of property, plant and equipment		198	472
Net cash used in investing activities		<u>(13,948)</u>	<u>(19,175)</u>
Cash flows from financing activities			
Proceeds from issuance of shares – net		-	60,308
Proceeds from term loans		6,190	217
Proceeds from trade finance and short term advances		11,973	94,498
Proceeds from issuance of Medium Term Notes		50,923	7,179
Repayments of term loans		(33,614)	(15,609)
Repayments of Medium Term Notes		(15,972)	-
Repayment of lease liabilities		(714)	(542)
Interest paid		(14,255)	(12,189)
Dividend paid to equity holders of company		(10,512)	(5,429)
Net cash (used in)/provided by financing activities		<u>(5,981)</u>	<u>128,433</u>
Net increase in cash and cash equivalents		29,921	41,719
Cash and cash equivalents			
Beginning of financial year		(4,633)	(28,046)
Effects of currency translation on cash and cash equivalents		(2,131)	7,204
End of financial year		<u>23,157</u>	<u>20,877</u>

Notes

- 1 The amount excluded additions of property, plant and equipment of US\$2,305,000 (1H 2010: US\$465,000) that was financed by lease liabilities.
- 2 This represented Super Group Limited's 40% shares in Ceres Super Pte Ltd (see para 1(b)(i) Note 2).

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

	Period ended	
	30-Jun-11	30-Jun-10
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	30,302	40,300
Less: Bank overdrafts	(7,145)	(19,423)
	<u>23,157</u>	<u>20,877</u>

Consolidated Statement of Comprehensive Income

	2Q ended 30 June		1H ended 30 June	
	2011	2010	2011	2010
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Profit for the period	<u>14,901</u>	9,594	<u>28,461</u>	17,874
Fair value gains on cash flow hedges	6,082	9,434	4,774	7,211
Transfers to income statement	(2,403)	(2,213)	(1,753)	(5,279)
Tax on fair value adjustments	(152)	(1,446)	73	(612)
Currency translation gain/(loss)	2,929	(2,850)	7,628	(3,148)
Other comprehensive expense for the period	<u>6,456</u>	2,925	<u>10,722</u>	(1,828)
Total comprehensive income for the period	<u>21,357</u>	12,519	<u>39,183</u>	16,046
Attributable to:				
Shareholders of the Company	21,249	12,519	39,074	16,046
Minority interests	108	-	109	-
	<u>21,357</u>	12,519	<u>39,183</u>	16,046

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	Foreign currency translation reserve	Cash flow hedge reserve	Capital reserve	Retained earnings	Total	Minority interest	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
The Group								
1Q 2011								
Balance at 1 January 2011	155,951	(1,962)	(2,538)	1,423	141,228	294,102	-	294,102
Total comprehensive income for the quarter	-	4,698	(433)	-	13,560	17,825	1	17,826
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	475	475
Balance at 31 March 2011	155,951	2,736	(2,971)	1,423	154,788	311,927	476	312,403
2Q 2011								
At 1 April 2011	155,951	2,736	(2,971)	1,423	154,788	311,927	476	312,403
Total comprehensive income for the quarter	-	2,915	3,527	-	14,807	21,249	108	21,357
Final dividend relating to 2010	-	-	-	-	(10,512)	(10,512)	-	(10,512)
At 30 June 2011	155,951	5,651	556	1,423	159,083	322,664	584	323,248
The Group								
1Q 2010								
Balance at 1 January 2010	95,767	(3,079)	3,651	1,619	109,735	207,693	12,376	220,069
Total comprehensive income for the quarter	-	(298)	(4,455)	-	8,280	3,527	-	3,527
Acquisition of additional interest in a subsidiary	-	-	-	(811)	-	(811)	(12,376)	(13,187)
Balance at 31 March 2010	95,767	(3,377)	(804)	808	118,015	210,409	-	210,409
2Q 2010								
At 1 April 2010	95,767	(3,377)	(804)	808	118,015	210,409	-	210,409
Total comprehensive income for the quarter	-	(2,850)	5,775	-	9,594	12,519	-	12,519
Issue of shares	61,143	-	-	-	-	61,143	-	61,143
Share Issue Expenses	(835)	-	-	-	-	(835)	-	(835)
Final dividend relating to 2009	-	-	-	-	(5,429)	(5,429)	-	(5,429)
At 30 June 2010	156,075	(6,227)	4,971	808	122,180	277,807	-	277,807

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>
	US\$'000	US\$'000	US\$'000	US\$'000
<u>The Company</u>				
<u>1Q 2011</u>				
Balance at 1 January 2011	155,951	(227)	59,443	215,167
Total comprehensive income for the quarter	-	1,225	11,468	12,693
Balance at 31 March 2011	155,951	998	70,911	227,860
<u>2Q 2011</u>				
At 1 April 2011	155,951	998	70,911	227,860
Total comprehensive income for the quarter	-	3,318	4,126	7,444
Final dividend relating to 2010	-	-	(10,512)	(10,512)
At 30 June 2011	155,951	4,316	64,525	224,792
<u>The Company</u>				
<u>1Q 2010</u>				
Balance at 1 January 2010	95,767	4,903	51,886	152,556
Total comprehensive income for the quarter	-	(2,569)	9,750	7,181
Balance at 31 March 2010	95,767	2,334	61,636	159,737
<u>2Q 2010</u>				
At 1 April 2010	95,767	2,334	61,636	159,737
Total comprehensive income for the quarter	-	1,726	(563)	1,163
Issue of shares	61,143	-	-	61,143
Share issue expenses	(835)	-	-	(835)
Final dividend relating to 2009	-	-	(5,429)	(5,429)
At 30 June 2010	156,075	4,060	55,644	215,779

- 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. The newly issued shares rank pari-passu with previously issued shares. Post the new share issuance the Company's issued share capital increased from 532,277,000 and 611,157,000.

For 2Q and 1H ended 30 June 2011, there was no change in the issued and paid up share capital of the Company.

There was no option granted or shares issued pursuant to the Petra Foods' Share Option Scheme and 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.**

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 2010, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for financial period beginning 1 January 2011. The adoption of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group and of the Company.

- 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.**

Please refer to item 4 above.

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.

	2Q ended 30 June		Half Year ended 30 June	
	2011	2010	2011	2010
(i) Based on weighted average number of ordinary shares in issue - (US cents)	2.42	1.76	4.64	3.32
(ii) On a fully diluted basis - (US cents)	2.42	1.76	4.64	3.32

Notes

- Basic earnings per share for 2Q and 1H 2011 is computed based on 611,157,000 shares. For 2Q and 1H 2010, basic earnings per share was computed based on weighted average number of shares of 544,412,000 and 537,378,000 respectively 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 June 2011 and 30 June 2010 respectively.

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 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10
Net asset value per ordinary share based on issued share capital - (US cents)	52.8	48.1	36.8	35.2

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:
- (a) 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
 - (b) 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)

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	%	2011	2010	%
	<u>US\$'000</u>	<u>US\$'000</u>		<u>US\$'000</u>	<u>US\$'000</u>	
Cocoa Ingredients	324,046	283,307	14.4	647,212	534,781	21.0
Branded Consumer	108,239	89,949	20.3	218,160	177,181	23.1
REVENUE	432,285	373,256	15.8	865,372	711,962	21.5
Cocoa Ingredients	17,927	12,511	43.3	34,144	23,631	44.5
Branded Consumer	14,897	12,068	23.4	29,084	24,003	21.2
EBITDA	32,824	24,579	33.5	63,228	47,634	32.7
Finance Costs	(7,140)	(6,222)	14.8	(14,085)	(12,056)	16.8
Profit before tax	19,314	12,261	57.5	37,153	22,833	62.7
Net profit attributable to shareholders	14,807	9,594	54.3	28,367	17,874	58.7

Key Indicators by Business Segments

	2Q ended 30 June			Half Year ended 30 June		
	2011	2010	%	2011	2010	%
Branded Consumer						
Gross Profit Margin	30.2%	30.3%	(0.1) pt	30.2%	30.2%	-
Cocoa Ingredients						
Sales volume (MT) - Division	65,135	57,181	13.9	133,464	119,122	12.0
Capacity utilisation - Division				91.0%	88.0%	3.0 pt
EBITDA/ metric ton (6-month moving average)				256	198	29.3

Review of the Group's 2Q 2011 and 1H 2011 Performance

Key Financial Highlights of the Group

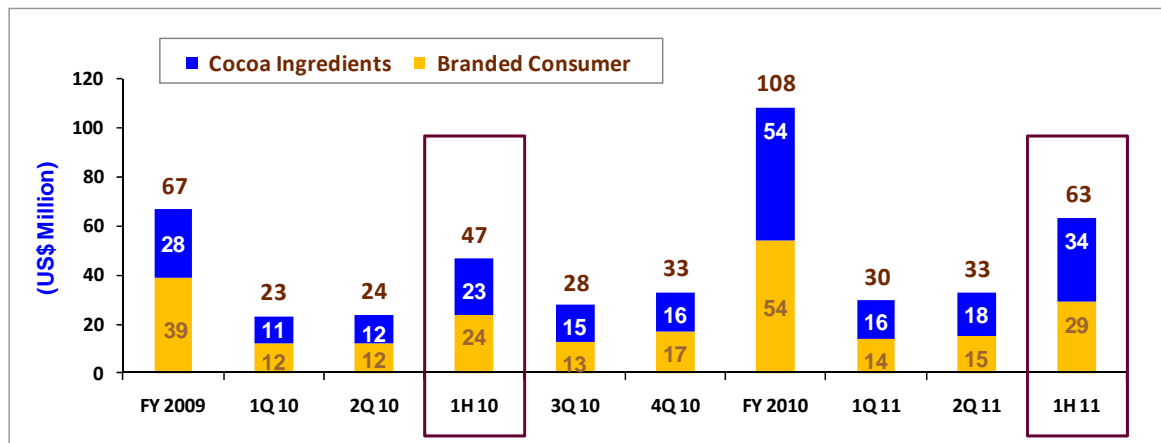
	2Q 2011 (US\$ Million)	2Q 2010 (US\$ Million)	% change Year on Year	1H 2011 (US\$ Million)	1H 2010 (US\$ Million)	% change Year on Year
Cocoa Ingredients	324.1	283.3	14.4%	647.2	534.8	21.0%
Branded Consumer	108.2	89.9	20.3%	218.2	177.2	23.1%
Total Revenue	432.3	373.3	15.8%	865.4	712.0	21.5%
Cocoa Ingredients	17.9	12.5	43.3%	34.1	23.6	44.5%
Branded Consumer	14.9	12.1	23.4%	29.1	24.0	21.2%
Total EBITDA	32.8	24.6	33.5%	63.2	47.6	32.7%

Figures may not add due to rounding.

The Group achieved Net Profit attributable to Equity Holders of US\$14.8 million in 2Q 2011 and US\$28.4 million in 1H 2011, representing Year-on-Year ("Y-o-Y") growth of 54.3% and 58.7% respectively. The key drivers of the strong 2Q 2011 and 1H 2011 performance were (i) the higher sales achieved by the Cocoa Ingredients and Branded Consumer Divisions; and (ii) the higher EBITDA yield of the Cocoa Ingredients Division.

The Group's strong 1H 2011 performance reflects the positive business environment for our two businesses, despite the global macro-economic uncertainties, and the successful execution of the Group's growth strategy.

The Group's EBITDA performance (Quarterly and Full Year)



Review of the Group's 2Q 2011 and 1H 2011 Financial Performance by Divisions

Branded Consumer Division

Key Financial Highlights

	2Q 2011	2Q 2010	% change	1H 2011	1H 2010	% change
	(US\$ Million)	(US\$ Million)	Year on Year	(US\$ Million)	(US\$ Million)	Year on Year
Indonesia	79.2	60.7	30.5%	156.4	121.5	28.8%
The Regional Markets	29.0	29.2	(0.7%)	61.7	55.7	10.9%
Branded Consumer Revenue	108.2	89.9	20.3%	218.2	177.2	23.1%
Gross Profit Margin (%)	30.2%	30.3%	- 0.1% pt	30.2%	30.2%	-
EBITDA	14.9	12.1	23.4%	29.1	24.0	21.2%

Figures may not add due to rounding.

Following the growth momentum in 1Q 2011, the Branded Consumer Division generated strong sales performance in 2Q 2011 resulting in 1H 2011 revenue growth of 23.1% Y-o-Y. The strong performance was driven by higher sales growth for both Own Brands and Agency (or 3rd Party) Brands. For Own Brands, strong double digit growth was achieved in Indonesia and the Regional markets.

Performance by Markets

• **Indonesia**

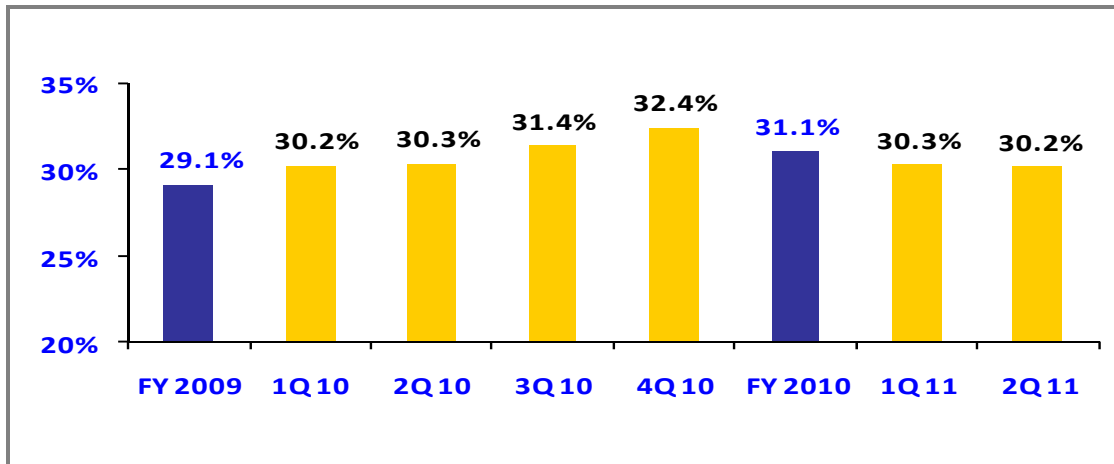
The strong 1H 2011 revenue growth of 28.8% Y-o-Y achieved by Branded Consumer in Indonesia once again demonstrated the strength and depth of our business with our impressive portfolio of leading brands achieving broad based growth, across all categories. Our major brands such as *SilverQueen*, *Cha Cha*, *TOP* and *Ceres Meises* generated strong double digit sales growth with the key drivers being the stronger domestic economy, our robust brand development programmes as well as strong gains from new products launched over the last 18 months. For Agency Brands, the strong double digit sales growth was driven mainly by organic growth achieved by existing agencies.

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

For 1H 2011, Own Brands sales in the regional markets achieved double digit growth riding on the strong sales of our *Goya* and *Knick Knacks* brands achieved in the Philippines market. This was attributable to strong new products supported by expansion of distribution coverage and higher levels of investments in brand development programmes.

However, this was offset by lower Agency Brands sales as a result of a rationalization exercise undertaken by management in May 2011 to terminate some of the less profitable Agency Brands. If the prior year comparables were adjusted for the effect of this rationalization exercise, the Regional markets revenue in 2Q 2011 would have increased 11% Y-o-Y.

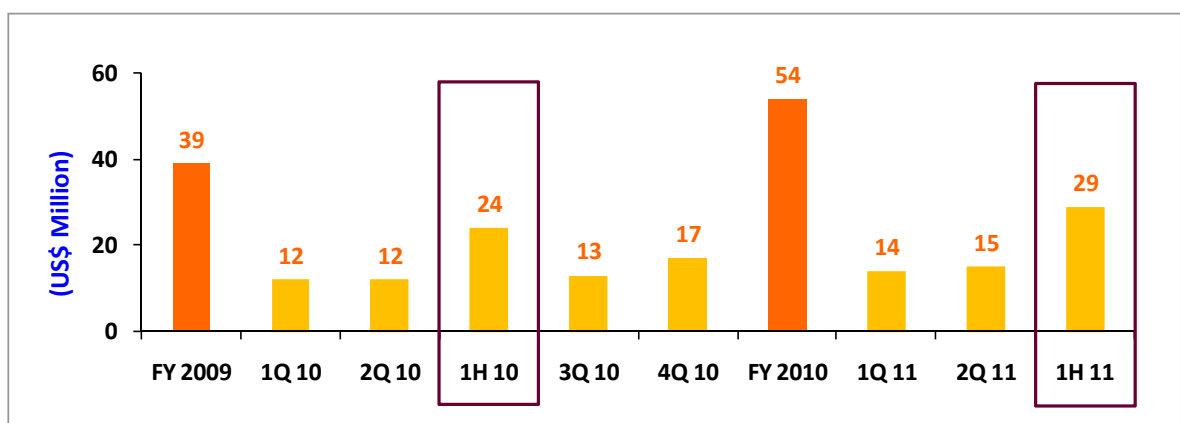
Branded Consumer Division's Gross Profit Margin Trend



Despite the higher input costs, the Branded Consumer Division's 2Q 2011 Gross Profit Margin was at a level similar to that a year ago. The Division's strategy to tackle higher input costs includes pricing adjustments, launch of higher-margined new products, product reformulation/rightsizing and cost containment initiatives. In addition, the strategy of buying forward its main raw material requirements in a timely manner serves to lock-in forward costs to a major extent thus providing cost visibility.

The higher 4Q 2010 margin compared to 1Q and 2Q 2011's can be attributed to the benefits of the pricing adjustments for Own Brands implemented in January 2010 ahead of the anticipated higher input costs in 2nd Half 2010 and for 2011. However, the strong local currencies, especially the Indonesian Rupiah, in 2nd Half of 2010 effectively lowered input costs and resulted in higher than expected margin achieved in 2nd Half of 2010.

Branded Consumer Division's EBITDA Performance



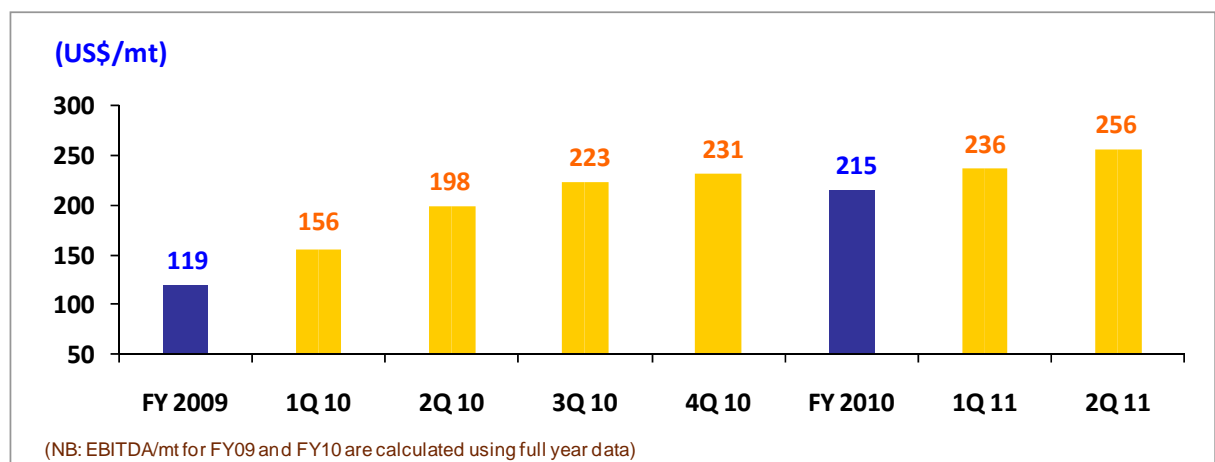
Cocoa Ingredients Division

Key Financial Highlights

	2Q 2011 (US\$ Million)	2Q 2010 (US\$ Million)	% change Year on Year	1H 2011 (US\$ Million)	1H 2010 (US\$ Million)	% change Year on Year
Revenue	324.1	283.3	14.4%	647.2	534.8	21.0%
EBITDA	17.9	12.5	43.3%	34.1	23.6	44.5%
EBITDA/mt (6 months moving average) in US\$	256	198	29.3%	256	198	29.3%
Sales volume (mt)	65,135	57,181	13.9%	133,464	119,122	12.0%

For the Cocoa Ingredients Division, the strong 1H 2011 EBITDA growth of 44.5% Y-o-Y was due to the higher sales volume and the higher EBITDA yield achieved. The Division's strong performance reflected strong demand from our global customers, the focus on premium products and the continued improvement in our Europe operations. The Europe operations achieved a significant improvement in profitability, compared to the net loss in 1H 2010, which reflects our success in executing the growth strategy for our Europe operations.

Cocoa Ingredients Division's EBITDA/mt of Sales Volume (6-month moving average)



Operating Expenses

The Group's 2Q 2011 and 1H 2011 operating expenses were higher by US\$5.4 million and US\$13.5 million Y-o-Y respectively. This was attributable mainly to:

1. Higher outward freight and Advertising & Promotion to support sales growth and brand building activities; and
2. Additional staff cost incurred as the Group continues to build its resources to drive its business growth across both divisions and the impact of the weaker US dollar.

While higher on a Y-o-Y perspective, it must be highlighted that Selling & Distribution costs and Administrative Expenses as a percentage of Group sales have been relatively constant at 5.8% and 2.3% respectively.

Finance Cost

Finance cost for 2Q 2011 and 1H 2011 were higher by US\$0.9 million and US\$2.0 million Y-o-Y respectively as a result of the higher borrowing level to fund the Group's expanded businesses.

Review of Financial Position and Cash Flow

Balance Sheet as at	30-Jun-11	31-Dec-10	Change
	US\$'000	US\$'000	US\$'000
Total Assets	1,064,944	1,053,849	11,095
Current assets	745,759	753,282	(7,523)
Non current assets	319,185	300,567	18,618
Total Borrowings	536,558	549,115	(12,557)
Shareholders' Equity	322,664	294,102	28,562

Compared to end FY 2010, the Group's balance sheet was further strengthened during 1H 2011 with:

- Higher Shareholders' Equity of US\$28.6 million (net of the Final 2010 Dividend of US\$10.5 million) reflecting the Group's strong 1H 2011 Net Profit and US\$7.6 million gain in the Foreign Currency Translation Reserve (see para 1(b)(i)) as the Indonesian Rupiah and Euro strengthened against United States Dollar.
- Lower inventories of US\$28.8 million carried with tighter management across both divisions (see para 1(b)(i) Note 1) which offset additional receivables of US\$8.1 million in line with revenue growth.

Total assets were up US\$11.1 million mainly due to the capital expenditure to support the growth momentum for the Group's two businesses (see para 1 (b)(i) Note 3) which was funded by the Group's operating cash flow of US\$49.8 million (see para 1(c)). The strong operating cash flow also reduced total borrowings by US\$12.6 million.

These strengthened the Group's financial position as reflected by the improvement in gearing ratios for net debt to equity ratio from 1.72 times to 1.57 times and interest coverage ratio from 3.27 times to 3.62 times.

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 results for 2Q 2011 and 1H 2011 are in line with the commentary made in Paragraph 10 of the Group 4Q 2010 and full year ended 30 December 2010 Unaudited Financial Statement and Dividend Announcement in February 2011.

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 momentum of our Businesses, the Group is well positioned to benefit and we expect the 2nd Half business performance to remain strong, despite the continuing uncertain global macro environment, including volatile raw material prices and currency markets. However, as 2H 2010 witnessed the start of the turnaround of the European operations, the rate of Y-o-Y growth for 2H 2011 is not expected to match that of 1H 2011.

Barring unforeseen circumstances, the Group is looking forward to another year of strong growth and record profit. To further capitalize on the growth opportunities, our strategy is to:

- a. Further grow our key markets to capitalize on the strong demand for high end customized products and the strong regional consumption growth;
- b. Further stimulate consumer demand by driving growth of our current portfolio of products (especially in the higher margined segment); launching of new products and expanding into new product categories;
- c. Invest in additional production and distribution capacity to capture this growth opportunity;
- d. Strengthen our global supply chain for Cocoa Ingredients through increased sourcing initiatives in key origin locations to mitigate supply risk; drive cost benefits; and improved quality of beans; and
- e. Form strategic sourcing alliances with partners in origin countries.

Tax recoverable

The Group's tax recoverable relates to installment payments amounting to IDR 71.9 billion (approximately US\$7.4 million) by one of the Indonesian subsidiaries to its local tax authority.

During FY 2009, the Indonesian Director General of Taxation (DGT) imposed an additional tax assessment amounting to IDR 71.9 billion (approximately US\$7.4 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 contested 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 was advised by its Indonesian tax advisers that there are valid grounds to contest the additional tax assessment by DGT. Accordingly, GFI 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 ended in September 2010 and is now pending court's decision. At this juncture, it is still 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? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	2.23 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A

An interim dividend of 1.86 US cents or 2.23 Singapore cents per share is declared based on 611,157,000 ordinary shares issued. This represents a Y-o-Y increase of 0.63 Singapore cents or 39.4%.

Together with the final dividend of 1.72 US cents or 2.18 Singapore cents paid on 20 May 2011, the total cash distributions received by shareholders this year will amount to 3.58 US cents or 4.41 Singapore cents per share in 2011. This represents a Y-o-Y increase of 1.38 Singapore cents or 45.5%.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1.60 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A

c. Date payable

The dividend is payable on 16 September 2011.

d. Books closure date

NOTICE IS HEREBY GIVEN that, the Transfer Books and the Register of Members of the Company will be closed at 5.00pm on 26 August 2011 (**Books Closure Date**) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 before 5:00 p.m. on the Books Closure Date will be registered to determine shareholders' entitlements to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (**CDP**), the interim dividend will be paid by the Company to CDP which will, in turn, distribute the interim dividend entitlements to the CDP account holders in accordance with its normal practice.

The interim dividend will be paid on 16 September 2011.

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

Not applicable.

12. Segmental revenue and results

	Cocoa Ingredients	Branded Consumer	Total
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Period ended 30 June 2011			
Sales:			
- Total segment sales	661,978	218,160	880,138
- Inter-segment sales	<u>(14,766)</u>	<u>-</u>	<u>(14,766)</u>
Sales to external parties	<u>647,212</u>	<u>218,160</u>	<u>865,372</u>
 EBITDA	 34,144	 29,084	 63,228
 Finance costs			 (14,085)
Share of profit of associated companies			78
Income tax expense			(8,692)
Assets and liabilities			
Segment assets	825,815	217,890	1,043,705
Associated companies			3,294
Unallocated assets			<u>17,945</u>
Consolidated total assets			<u>1,064,944</u>
 Segment liabilities	 125,074	 70,432	 195,506
Unallocated liabilities			<u>546,190</u>
Consolidated total liabilities			<u>741,696</u>
Other segment information			
Depreciation and amortisation	8,507	3,767	12,274
Capital expenditure	13,358	3,558	16,916
 Sales of Branded Consumer is analysed as:			
- Own Brands		124,933	
- Agency Brands		<u>93,227</u>	
Total		<u>218,160</u>	

Segmental revenue and results continued

	Cocoa Ingredients	Branded Consumer	Total
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Period ended 30 June 2010			
Sales:			
- Total segment sales	545,603	177,181	722,784
- Inter-segment sales	<u>(10,822)</u>	<u>-</u>	<u>(10,822)</u>
Sales to external parties	<u>534,781</u>	<u>177,181</u>	<u>711,962</u>
 EBITDA	 23,631	 24,003	 47,634
 Finance costs			 (12,056)
Share of profit of associated companies			(36)
Income tax expense			(4,959)
Minority Interest			-
 Assets and liabilities			
Segment assets	768,151	205,253	973,404
Associated companies			2,425
Unallocated assets			<u>14,427</u>
Consolidated total assets			<u>990,256</u>
 Segment liabilities	 127,853	 59,475	 187,328
Unallocated liabilities			<u>525,121</u>
Consolidated total liabilities			<u>712,449</u>
 Other segment information			
Depreciation and amortisation	8,675	3,517	12,192
Capital expenditure	4,008	2,888	6,896
 Sales of Branded Consumer is analysed as:			
- Own Brands		93,972	
- Agency Brands		<u>83,209</u>	
Total		<u>177,181</u>	

Geographical segments

For period ended 30 June	Revenue		Capital Expenditure	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	197,365	149,059	7,454	2,835
Singapore	35,040	36,329	651	676
Philippines	41,057	26,732	152	304
Thailand	13,898	9,834	49	95
Malaysia	46,200	42,382	1,951	361
Japan	34,483	33,358	-	-
China	19,765	14,271	-	-
Middle East	22,367	27,208	-	-
Other countries in Asia	20,705	14,511	-	-
Australia	20,473	23,899	-	-
Europe	273,880	226,436	6,141	2,396
North America	40,396	22,973	1	-
South America	83,686	66,349	517	229
Africa	16,057	18,621	-	-
	865,372	711,962	16,916	6,896

13. Interested Person Transactions

	¹ Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2Q 2011	1H 2011
	<u>US\$'000</u>	<u>US\$'000</u>
PT Freyabadi Indotama		
- Sales of goods	2,812	5,567
- Purchase of products	3,833	7,270
	6,645	12,837
PT Tri Keeson Utama		
- Sales of goods	8,281	11,148
PT Fajar Mataram Sedayu		
- Sales of goods	185	563
- Purchase of goods	169	404
	354	967
PT Sederhana Djaja		
- Lease of properties	18	35
	15,298	24,987

Note: ¹ 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