



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

***4<sup>th</sup> Quarter and Full Year 2011***  
***Financial Results***  
***(unaudited)***

***24 February 2012***



# 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.

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# FY 2011 - Another Year of Record Performance

- **Another year of record financial performance with strong growth from both Divisions: 4Q 2011 Net Profit of US\$18 million bringing Full Year Net Profit to US\$61 million (▲36% Y-o-Y)**
  - Our strong performance was achieved despite the difficult global macro economic and financial environments; supply disruption in the Ivory Coast; volatile commodity prices and currencies; and high raw material cost inflation
  
- **Strong volume growth and higher margins/yield were the key performance drivers**
- ❖ **Cocoa Ingredients - Revenue US\$1.28 billion (▲6% Y-o-Y) and EBITDA US\$66 million (▲23% Y-o-Y)**
  - Strong growth driven primarily by higher EBITDA yield (US\$250/mt ▲16% Y-o-Y) on Europe's turnaround and the higher proportion of premium ingredients in the sales mix; and sales volume growth of 6%
- ❖ **Branded Consumer - Revenue US\$426 million (▲16% Y-o-Y) and EBITDA US\$63 million (▲16% Y-o-Y)**
  - Driven by strong revenue growth of Own Brands ▲29% Y-o-Y: Capitalizing on the robust consumption in our key markets by driving demand for our current portfolio of key brands together with an aggressive roll-out of new products

## FY 2011 - Another Year of Record Performance (cont'd)

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### ■ Other key highlights of our FY 2011 results:

- (1) On the back of the strong results, Group's ROE improved by a significant 2.8% points to 20.5% - In line with our target
- (2) Generated Free Cash Flow of US\$39 million even after US\$55 million investment in Capex
- (3) Group's Net Debt/Equity at end-2011 improved to 1.69x, compared to 1.72x previously

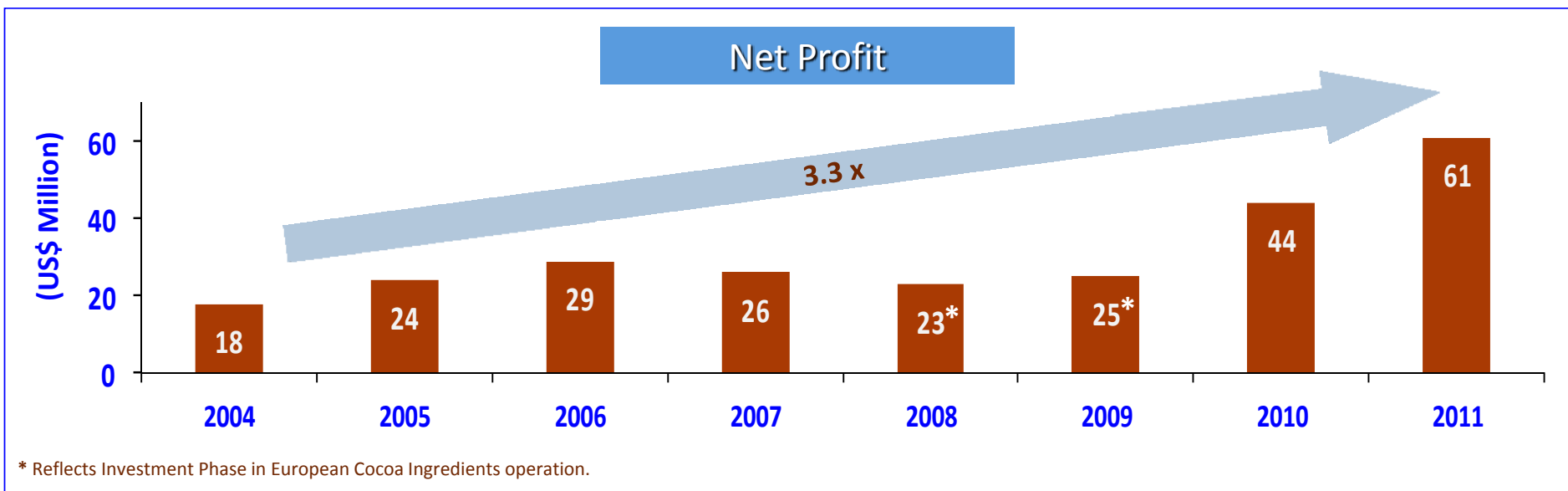
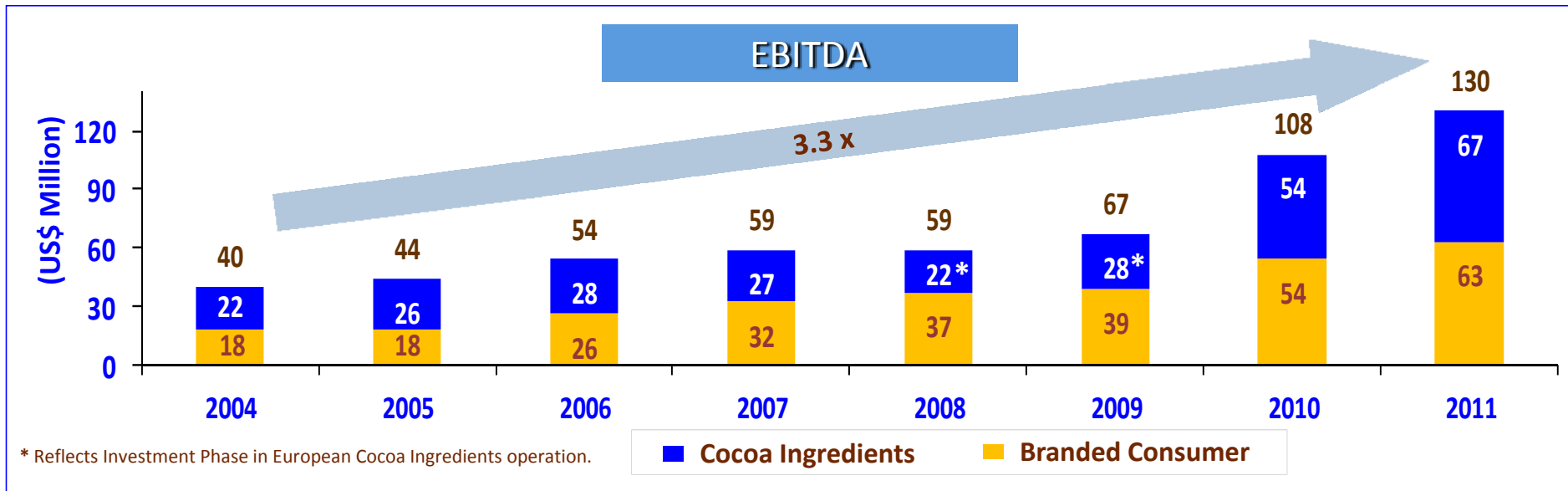
### ■ A Final Dividend of 2.12 US cents (or 2.61 SGD cents) per share (▲ 23% Y-o-Y) is proposed

- Together with the Interim Dividend of 1.86 US cents (2.23 SGD cents) per share, total 2011 Dividends represents a 40% payout (▲ 38% Y-o-Y)

# Key Highlights of FY 2011 Performance

(In US\$ Million)	FY 2011	FY 2010	YoY change
<b>Revenue</b>	<b>1,702</b>	<b>1,566</b>	<b>▲ 9%</b>
<b>Cocoa Ingredients</b> Sales Volume (mt)	265,053	250,949	<b>▲ 6%</b>
<b>Branded Consumer</b> Revenue	426	367	<b>▲ 16%</b>
<b>EBITDA</b>	<b>130</b>	<b>108</b>	<b>▲ 20%</b>
<b>Cocoa Ingredients</b> EBITDA/mt	US\$250/mt	US\$215/mt	<b>▲ 16%</b>
<b>Branded Consumer</b> Gross Profit Margin	31.6%	31.1%	<b>▲ 0.5% pt</b>
<b>Net Profit</b>	<b>61</b>	<b>44</b>	<b>▲ 36%</b>
<b>ROE</b>	<b>20.5%</b>	<b>17.7%</b>	<b>▲ 2.8% pt</b>

# Group's Profitability more than Tripled since IPO



## Outlook for 2012 - Further Growth Expected

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- **The global macro economic and financial environment will remain challenging but nevertheless we expect our robust businesses to deliver further growth in 2012**
  
- **Strategy to capture the significant growth opportunities of our Businesses:**
  - (1) Grow and expand reach - Cocoa Ingredients globally and Branded Consumer regionally
    - Consumption in our regional markets supported by strong regional economies, low inflation and fast growing middle income class
  - (2) Increase proportion of premium products in sales mix and expand into new categories (especially for Branded Consumer)
  - (3) Invest prudently in our manufacturing capabilities to support volume growth over the longer term
  - (4) Strengthen sourcing capabilities and lower cost in the supply chain



Thank You

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# Appendices

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# Successful Growth and Geographic Diversification of Group Revenue

Revenue  
(US\$ Million)

1,800

400

200

**US\$384 m**

Europe  
US\$56 m  
14%

The Americas  
US\$29 m  
8%

Asia  
US\$299 m  
78%

**FY 2004**

4.4 x

9.7 x

8.2 x

3.1 x

**US\$1,702 m**

Europe  
US\$542 m  
32%

The Americas  
US\$238 m  
14%

Asia  
US\$922 m  
54%

**FY 2011**

# Platform of Growth through Two Quality Earnings Streams

## 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 builds 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

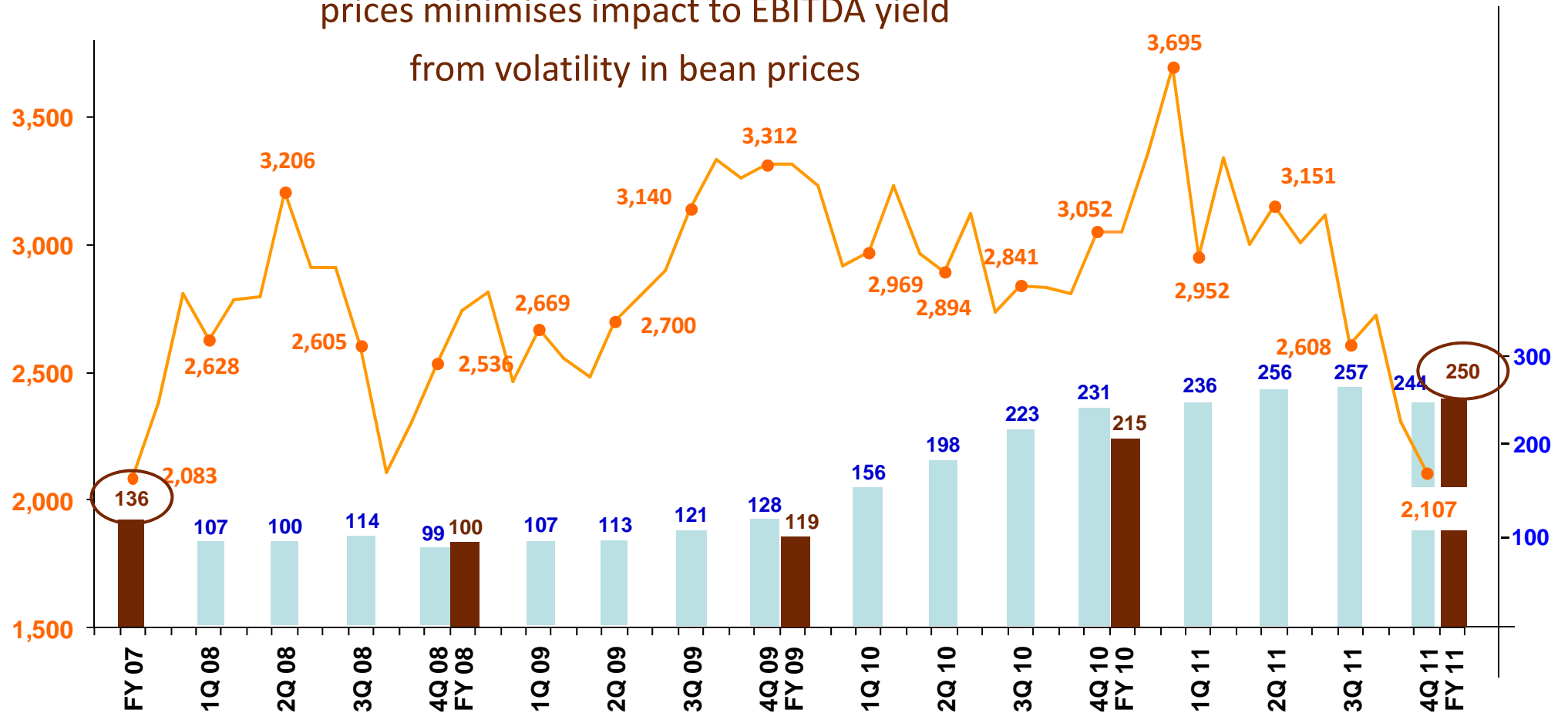
- Diverse team with international F&B and MNC experience
- Proven track record in executing growth strategy

## Strict Hedging minimizes impact to EBITDA yield

Cocoa Bean Price  
(US\$/Metric Tonne)

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

EBITDA Yield  
(US\$/Metric Tonne)



— Cocoa Bean Price    
 ■ EBITDA/MT of Sales Volume (6-mth average)    
 ■ EBITDA/MT of Sales Volume (calculated using full year data)

# Financial Highlights

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# Balance Sheet & Cash Flow Analysis

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# Financial Strategy

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- **In light of the challenging global financial environment, the Group has taken measures (as part of its on-going programme) to manage liquidity and credit financing risks by:**
  - (1) Generating Free Cash Flow with tighter working capital management and prudent Capex investment to support growth**
  - (2) Raising Financial Headroom for growth and contingencies**
    - Raised committed facilities to > US\$1 billion with headroom of US\$574 million (48% utilization)
  - (3) Building financial flexibility and extending debt maturity profile**
    - Term Loans, MTNs and Long Term Trade Finance currently form 42% of total debt versus 33% @ end-2010



# Balance Sheet Analysis (Figures are at period end)

(US\$ Million)	31 Dec 2011	31 Dec 2010	Highlights
Cash and Cash Equivalents	19.1	42.8	
Trade Receivables	162.5	165.0	
Inventories	477.9	491.4	<ul style="list-style-type: none"> <li>Tighter inventory management across both divisions and lower inventories in Branded Consumer following the discontinuation of some Agency Brands in 2011.</li> </ul>
Other Assets	83.0	75.9	
Fixed Assets, Intangible Assets & Investments	304.7	279.7	<ul style="list-style-type: none"> <li>Includes Capex of US\$55 million for business expansion.</li> </ul>
<b>Total Assets</b>	<b>1,047.2</b>	<b>1,054.8</b>	
Trade Payables	136.6	122.3	
Other Liabilities	92.6	89.3	
<b>Total Borrowings</b>	<b>521.1</b>	<b>549.1</b>	
Working Capital Facilities/Trade Finance	353.7	367.4	<ul style="list-style-type: none"> <li>Includes trade finance of US\$48.9m with &gt;1 year tenor.</li> </ul>
Medium Term Note (MTN)	117.3	97.5	<ul style="list-style-type: none"> <li>Issuance of new MTNs to extend debt maturity profile.</li> </ul>
Term Loan	50.1	84.2	
<b>Total Equity</b>	<b>296.9</b>	<b>294.1</b>	
<b>Key Ratios</b>			
Net Debt / Equity	1.69 x	1.72 x	} Strengthened financial position on strong Net Profit growth.
Adjusted Net Debt/Equity (excl Trade Finance & MTN)	0.48 x	0.56 x	
Current Ratio	1.22	1.18	
Inventory Days	121	113	<ul style="list-style-type: none"> <li>Despite the lower inventories value at 31 Dec 2011, the increase in Average Inventory Days computed is attributable to the higher average value of inventories for FY 2011, as compared to that of FY 2010.</li> </ul>
Receivable Days	35	35	
Payable Days	32	32	

Strong financial position

# Cash Flow Applications

(US\$ Million)

Year to 31 Dec 2011

**EBITDA** **129.6**

**Less: Changes in Operating Cash Flow**

Working Capital - Net of Trade Finance 10.5

Tax Expense paid (22.3)

Interest Expense (27.1)

**Operating Cash Flow** **90.7**

**Less: Investing activities**

Non Controlling Interest Contribution in Ceres Super 0.5

Capital Expenditure - Net of Disposals (51.9)

**Free Cash Flow** **39.3**

**Financing activities**

Proceeds from Term Loan - Net of Repayments (33.8)

Proceeds from MTN - Net of Repayments 24.9

Repayment of Working Capital Facilities (32.3)

Payment of Dividend (21.8)

**Cash and Cash Balance** **(23.7)**

**Footnote**

Borrowings at 31 Dec 2011 521.1

Total Credit Facilities (committed) 1,095.5

Headroom **574.4**

Utilization 47.6%

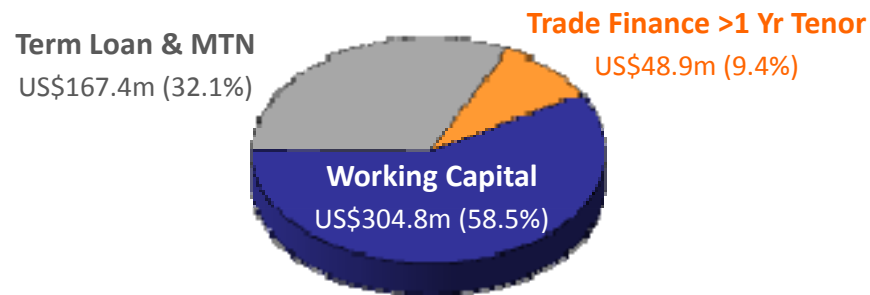
} Build financial headroom and flexibility

NB: In addition, we have untapped MTN umbrella facilities of US\$123 million.

**Strong operating cash flow. Ample headroom and financial flexibility**

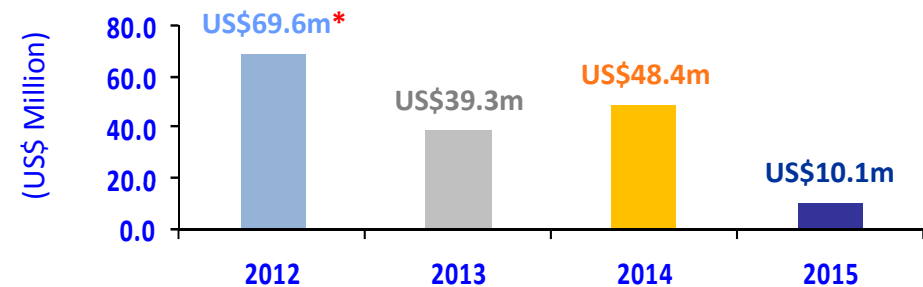
# Breakdown of Group's December 2011 Debt

## Breakdown of Debt



- The working capital and trade finance facilities are revolving credit facilities to finance highly liquid assets (cocoa bean inventory) for committed sales contracts

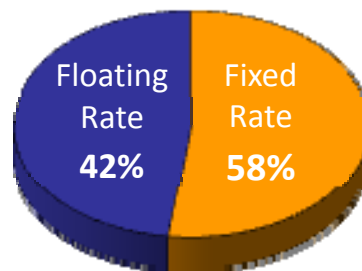
## Repayment Schedule of Term Loan & MTN



- In anticipation of debts maturing in 2012, we raised US\$32 million in 4-Year MTNs in February 2012 with maturity in 2016.

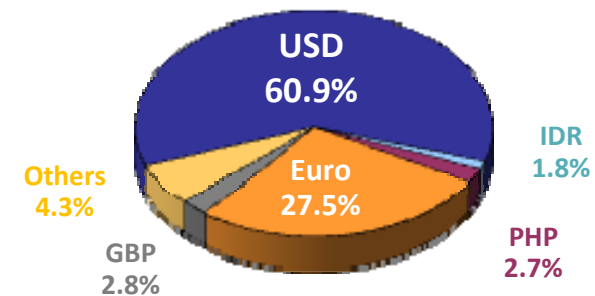
\* Of this, US\$46 million of MTNs were redeemed in January 2012.

## Floating & Fixed Rate Components of Loan



- Effective interest rate for FY 2011 < 5.0% pa
- Lock-in fixed interest rate on opportunistic basis

## 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	4Q 2011	4Q 2010	YoY Change	FY 2011	FY 2010	YoY Change
Sales	405.7	421.0	(3.6%)	1,702.2	1,566.0	8.7%
Cocoa Ingredients	302.7	331.3	(8.6%)	1,276.3	1,199.1	6.4%
Branded Consumer	103.0	89.7	14.9%	425.8	366.9	16.1%
EBITDA	35.3	33.2	6.3%	129.6	108.4	19.5%
Cocoa Ingredients	16.4	15.8	3.6%	66.3	54.0	22.8%
Branded Consumer	19.0	17.4	8.7%	63.3	54.4	16.2%
Finance Cost	(6.3)	(7.0)	10.1%	(27.4)	(25.9)	5.8%
Profit Before Tax	23.4	20.7	12.9%	78.7	58.5	34.6%
Profit After Tax & MI	18.4	16.3	12.8%	60.6	44.5	36.2%
Capex	13.8	5.0	175.7%	55.0	14.5	279.6%

Figures may not add due to rounding.

# Group Full Year Financial Highlights (cont'd)

	FY 2011	FY 2010	Change (%)
<b>EPS</b>	9.91 US cents	7.73 US cents	28.2%
	As at 31 Dec 2011	31 Dec 2010 Audited Figures	
Net Debt/Equity	1.69 x	1.72 x	
Adjusted Net Debt/Equity (excluding Trade Finance and MTN)	0.48 x	0.56 x	

# Cocoa Ingredients Division

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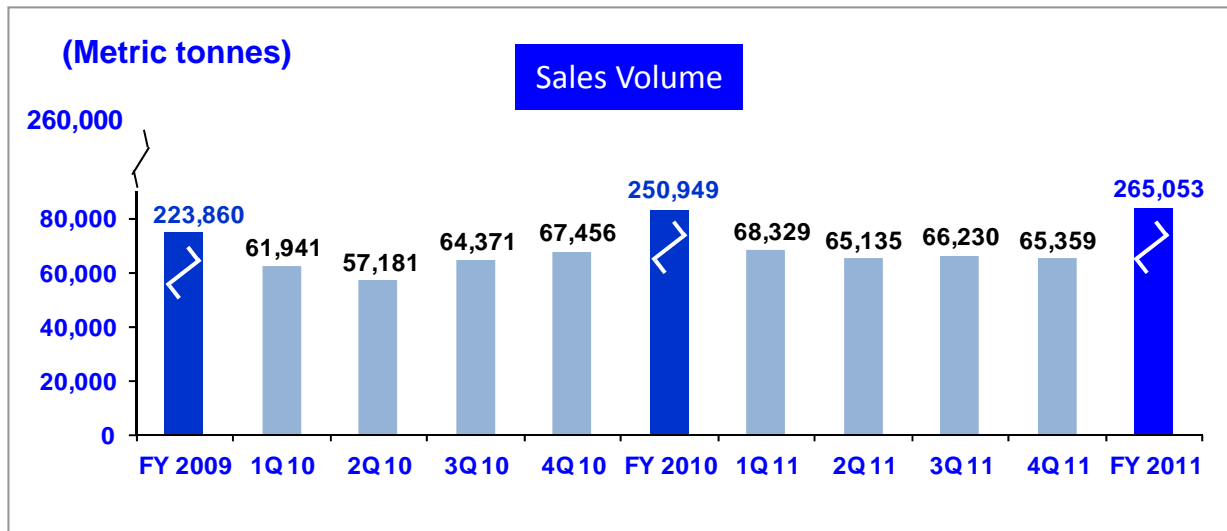
## Cocoa Ingredients - Financial Highlights

(in US\$ Million)	4Q 2011	4Q 2010	YoY Change	FY 2011	FY 2010	YoY Change
Revenue	302.7	331.3	(8.6%)	1,276.3	1,199.1	+ 6.4%
EBITDA	16.4	15.8	+ 3.6%	66.3	54.0	+ 22.8%
EBITDA/MT (in US\$)	244 (6-month moving average)	231	+ 5.6%	250 (12-month average)	215	+ 16.3%
Sales Volume (MT)	65,359	67,456	(3.1%)	265,053	250,949	+ 5.6%

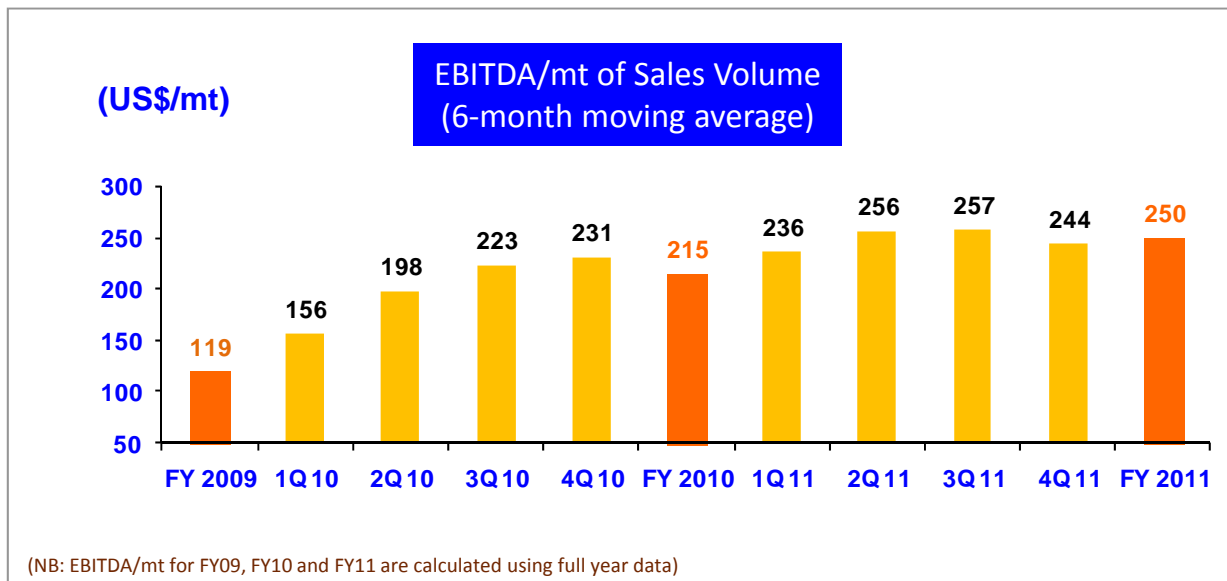
### Key Comments

- Sales volume growth achieved as we continued to grow our markets and our customer base
- The lower revenue in 4Q 2011 is due to the pass through effect of weaker cocoa bean prices and the lower sales volume as a result of the delivery timing of shipments and deferment of some contracted deliveries in 4Q 2011 to 2012
- The higher EBITDA yield in 4Q 2011 vs 4Q 2010 reflects the higher margin of products delivered and Europe's continued improvement

# Cocoa Ingredients - Financial Highlights



- FY 2011 volume growth of 5.6%
- Key drivers of volume growth are continued strong demand from global customers and new customers secured



- The higher EBITDA yield achieved reflected product mix and higher proportion of customized cocoa ingredients and Europe's continued improvement



# Branded Consumer Division

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# Branded Consumer - Financial Highlights

(in US\$ Million)	4Q 2011	4Q 2010	YoY change	FY 2011	FY 2010	YoY change
Revenue	103.0	89.7	+ 14.9%	425.8	366.9	+ 16.1%
- Indonesia	74.4	60.2	+ 23.7%	310.8	252.4	+ 23.1%
- Regional Market	28.6	29.5	(3.1%)	115.0	114.5	+ 0.5%
Gross Profit Margin	34.2%	32.4%	+ 1.8% pt	31.6%	31.1%	+ 0.5% pt
EBITDA	19.0	17.4	+ 8.7%	63.3	54.4	+ 16.2%

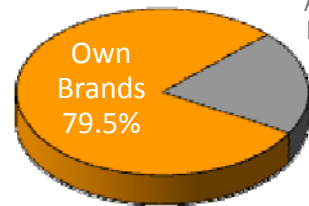
## Key Comments

- 2011's Revenue growth driven mainly by higher Own Brands sales (▲29% Y-o-Y) with growth across all categories
- Regional markets, on a comparable basis, grew by 44% Y-o-Y in 4Q 2011 and 26% Y-o-Y for FY 2011
  - The lower revenue growth reported reflects the discontinuation of some less profitable Agency Brands in 2Q 2011

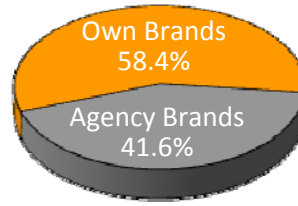
# Branded Consumer - Financial Highlights

## Revenue - Own Brands vs Agency Brands

FY 2004



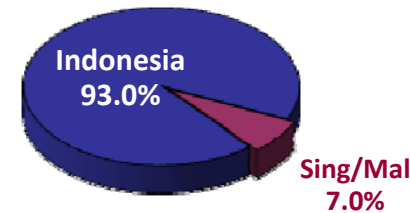
FY 2011



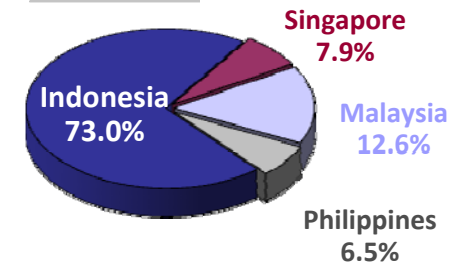
- In addition to driving strong Own Brands sales, we have built a successful Agency Brands distribution business

## Geographic Revenue Breakdown

FY 2004

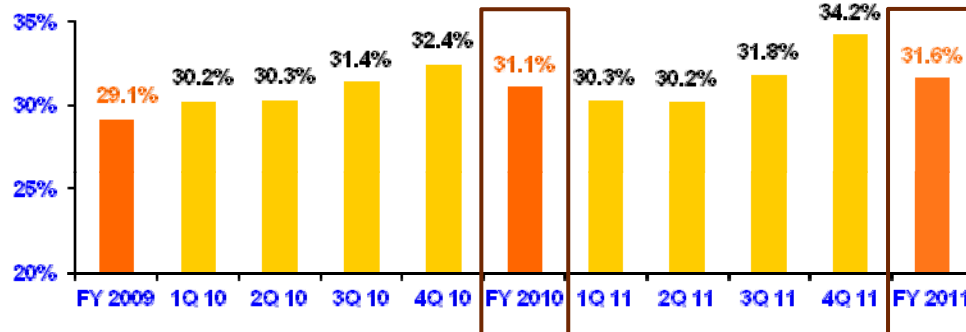


FY 2011



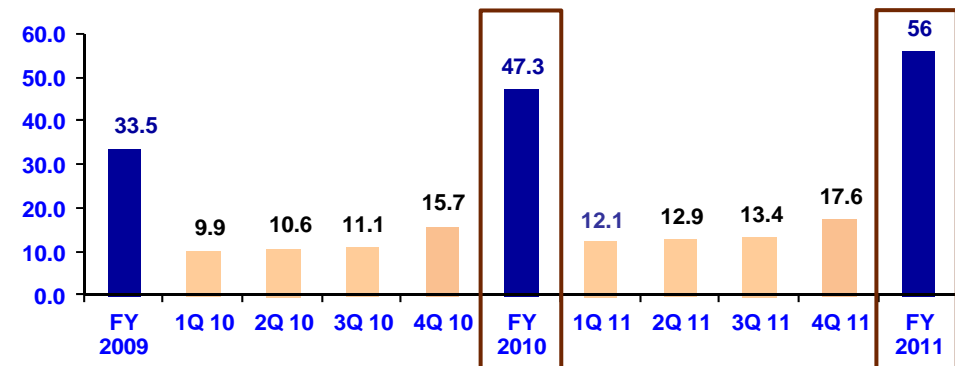
- Successfully developed the regional business complementing strong growth in Indonesia

## Gross Profit Margin Trends



- The higher 4Q 2011 margin reflected the benefits of a pricing adjustment for Own Brands in August 2011 and the discontinuation of less profitable Agency Brands

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



- The strong operating profit generated is driven primarily by strong performance of Own Brands