

## FOR IMMEDIATE RELEASE

# Strong demand boosts Petra Foods' FY 2011 net profit up 36.2% to US\$60.6 million

- Robust global demand for customised cocoa ingredients and increased regional consumption drive sales of its Cocoa Ingredients and Branded Consumer products up 8.7% to US\$1.7 billion in FY 2011
- Final cash dividend of 2.61 Singapore cents is proposed, lifting total dividend for the year to 4.84 Singapore cents, up 28% Y-o-Y

Financial Highlights (US\$ Million)	4Q ended 31 December			Year ended 31 December		
	2011	2010	% Change	2011	2010	% Change
Revenue	405.7	421.0	↓3.6	1,702.2	1,566.0	↑8.7
Gross Profit	61.3	56.0	↑9.5	240.0	199.6	↑20.3
EBITDA	35.3	33.2	↑6.3	129.6	108.4	↑19.5
Profit before tax	23.4	20.7	↑12.9	78.7	58.5	↑34.6
Net Profit Attributable to Shareholders	18.4	16.3	↑12.8	60.6	44.5	↑36.2

**SINGAPORE - 24 February 2012 - Petra Foods Limited** ("Petra Foods" or the "Group"), one of the world's major manufacturers and suppliers of cocoa ingredients and branded consumer confectionery products, today announced a robust set of results for 4Q 2011 with net profit attributable to shareholders rising 12.8% to US\$18.4 million. This brings the Group's Full Year 2011 net profit to US\$60.6 million, representing Y-o-Y growth of 36.2%.

The Group's strong FY 2011 performance was achieved on the back of US\$1.7 billion in sales generated, driven by strong demand globally for customised cocoa ingredients and increased regional consumption. It also demonstrated the successful execution of the Group's growth strategy which resulted in higher sales, unit pricing and margins achieved for its Cocoa Ingredients and Branded Consumer businesses.

Based on the weighted average number of ordinary shares in issue, earnings per share for FY 2011 rose 28.2% to 9.91 US cents while net asset value per share as at 31 December 2011 stood at 48.5 US cents.

## SEGMENTAL REVIEW

### Branded Consumer Division

Financial Highlights (US\$ Million)	3 months ended 31 December			12 months ended 31 December		
	4Q 2011	4Q 2010	% Change Y-o-Y	FY 2011	FY 2010	% Change Y-o-Y
Indonesia	74.4	60.2	↑23.7	310.8	252.4	↑23.1
The Regional Markets	28.6	29.5	↓ 3.1	115.0	114.5	↑0.5
<b>Total Branded Consumer Revenue</b>	<b>103.0</b>	89.7	<b>↑14.9</b>	<b>425.8</b>	366.9	<b>↑16.1</b>
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

In FY 2011, the significant 29.4% Y-o-Y growth in Own Brands sales, i.e. strong double digit growth achieved in both Indonesia and Philippines, resulted in a 16.1% increase Y-o-Y in revenue and a 16.2% rise in EBITDA. The growth drivers were the robust consumption and strong domestic economies in the Group's key markets, our rigorous brand development programmes as well as healthy gains from the more than 20 new products launched in the last 12 months.

In terms of Gross Profit Margin, the Branded Consumer Division registered a 1.8% point Y-o-Y increase, reflecting the success of the Group's strategy to mitigate anticipated higher input costs in 2012 through pricing adjustments, the launch of higher margined new products, product reformulation and right sizing, and cost containment initiatives. The other contributing factor to the margin improvement was the benefit derived from the discontinuation of the less profitable Agency Brands.

## Cocoa Ingredients Division

Financial Highlights (US\$ Million)	3 months ended 31 December			12 months ended 31 December		
	4Q 2011	4Q 2010	% Change Y-o-Y	FY 2011	FY 2010	% Change Y-o-Y
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-months moving average)	231	▲5.6	250 (12-months average)	215	▲16.3
Sales volume (mt)	65,359	67,456	▼3.1	265,053	250,949	▲5.6

Revenue for the Group's Cocoa Ingredients Division rose 6.4% to US\$1.3 billion in FY 2011, with EBITDA growing 22.8% Y-o-Y to US\$66.3 million due to higher EBITDA yield and the higher sales volume achieved.

The Division's healthy FY 2011 performance reflected strong demand from global customers, the higher proportion of sales of higher margined customised cocoa products and the significant improvement in profitability of the European operations, compared to the net loss in FY 2010. These results reflect the Group's continued success in executing its growth strategy.

### Business Prospects

Said Petra Food's Chief Executive Officer, Mr John Chuang, "2011 was another good year for the Group. In anticipation that the global macro-economic and financial environment will remain challenging, we have further strengthened the robustness of our businesses and are prepared to face the challenges that may come our way."

In addition to further growing its key markets, further stimulating consumer demand through the expansion of its product portfolio, increasing production and distribution capacity as well as exploring strategic alliances, the Group has taken measures to manage its liquidity and credit financing risks in light of uncertainties in the global economy. These measures include generating free cash flow with tighter working capital management and prudent investment for growth, increasing credit headroom for growth contingencies and building financial

flexibility and further extending the Group's debt maturity profile to match its financing and investment needs.

Barring any unforeseen circumstances, the Group expects FY 2012 to be another year of profit growth.

### **Final Dividend**

The directors have proposed a final dividend of 2.12 US cents or 2.61 Singapore cents per share based on 611,157,000 ordinary shares in issue for approval of shareholders at the Annual General Meeting on 27 April 2012. If approved, the dividend will be paid on 18 May 2012. Inclusive of the interim dividend of 2.23 Singapore cents, shareholders would receive a total dividend of 4.84 Singapore cents for FY 2011.

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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 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 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 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.

Over the years, Petra Foods has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006. In April 2009, it clinched a Gold award in the “Best Annual Report/ Companies with \$300 million to less than \$1 billion in market capitalization” 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 capitalization” category. Most recently, the Group’s Chief Executive Officer, Mr John Chuang, was named “Best Chief Executive Officer” at the 2011 awards.

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### ***Issued on behalf of Petra Foods Limited***

#### ***Media Contact:***

Ho See Kim

August Consulting

Tel: +65 6733 8873, Mobile: +65 9631 3602, Email: [seekim@august.com.sg](mailto:seekim@august.com.sg)

Wrisney Tan

August Consulting

Tel: +65 6733 8873, Mobile: +65 9743 2667, Email: [wrisney@august.com.sg](mailto:wrisney@august.com.sg)