Petra Foods Limited
Unaudited Financial Statements and Dividend Announcement
For the 2nd Quarter and Half Year Ended 30 June 2012

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group 2Q ended 30 June 2012	2011	%	Group 6 months ended 30 June 2012	2011	%
		US$'000	US$'000		**US$'000**	US$'000	
Revenue	1	**377,884**	432,285	(12.6)	**780,501**	865,372	(9.8)
Cost of Sales	2	**(318,794)**	(371,201)	(14.1)	**(657,325)**	(745,174)	(11.8)
Gross Profit		**59,090**	61,084	(3.3)	**123,176**	120,198	2.5
Other operating income		**2,481**	1,780	39.4	**3,549**	3,892	(8.8)
Selling and distribution costs		**(23,164)**	(23,787)	(2.6)	**(49,188)**	(50,260)	(2.1)
Administrative expenses		**(10,094)**	(10,536)	(4.2)	**(19,491)**	(20,088)	(3.0)
Finance costs	3	**(7,184)**	(7,140)	0.6	**(13,713)**	(14,085)	(2.6)
Other operating expenses		**(665)**	(1,976)	(66.3)	**(1,919)**	(2,582)	(25.7)
		20,464	19,425	5.3	**42,414**	37,075	14.4
Share of results of associated companies and joint venture		**51**	(111)	NM	**(9)**	78	NM
Profit before income tax		**20,515**	19,314	6.2	**42,405**	37,153	14.1
Income tax expense		**(4,636)**	(4,413)	5.1	**(10,193)**	(8,692)	17.3
Total profit	4	**15,879**	14,901	6.6	**32,212**	28,461	13.2
Profit/(loss) attributable to: **Equity holders of the Company**		**15,879**	14,807	7.2	**32,218**	28,367	13.6
Non-controlling interest		**-**	94	NM	**(6)**	94	NM
		15,879	14,901	6.6	**32,212**	28,461	13.2
EBITDA	5	**33,847**	32,824	3.1	**68,346**	63,228	8.1
Earnings per share (US cents) - Basic and Diluted[a]		**2.60**	2.42	7.2	**5.27**	4.64	13.6
Return on equity					**20.8%**[b]	20.5%[c]	0.3% pt

a As there are no potentially dilutive ordinary shares, diluted Earnings per Share (EPS) is the same as basic Earnings per Share. EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000.

b For comparative purposes, ROE is computed based on the annualized 1H 2012 net profit attributable to equity holders of the company divided by average shareholders' equity.

c Relates to full year 2011 audited figures.

Explanatory notes on income statement

Note 1 - Breakdown of Sales by Division

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	Change	**2012**	2011	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cocoa Ingredients Division	**253,544**	324,046	(21.8)	**535,780**	647,212	(17.2)
Branded Consumer Division	**124,340**	108,239	14.9	**244,721**	218,160	12.2
	377,884	432,285	(12.6)	**780,501**	865,372	(9.8)

The Cocoa Ingredients Division's 2Q and 1H 2012 revenue was lower mainly due to the pass through effect of lower cocoa bean prices during the period, lower sales volume Y-o-Y and the weaker pricing for cocoa products as a result of the industry headwinds. Sales volume was lower as we reduced the sale of generic (lower margin) products due to the weak industry conditions.

Note 2 - Cost of Sales

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	Change	**2012**	2011	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cost of goods sold	**307,601**	363,033	(15.3)	**646,803**	733,763	(11.9)
Cost of processing services rendered	**4,254**	4,743	(10.3)	**8,425**	8,666	(2.8)
	311,855	367,776	(15.2)	**655,228**	742,429	(11.7)
Transfer from cash flow hedge reserve - cocoa bean and foreign exchange derivatives	**6,866**	(265)	NM	**2,668**	1,856	43.8
Other adjustments to cost of sales:						
- Fair value loss on cocoa bean derivatives	**2,398**	4,086	(41.3)	**4,420**	2,937	50.5
- Fair value gain on foreign exchange derivatives	**(2,325)**	(396)	487.1	**(4,991)**	(2,048)	143.7
Cost of Sales	**318,794**	371,201	(14.1)	**657,325**	745,174	(11.8)

Note 3 - Finance Costs (Net)

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	Change	**2012**	2011	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Interest Expense	**6,097**	6,123	(0.4)	**11,775**	12,447	(5.4)
Transfer from cash flow hedge - interest rate swaps	**1,194**	1,045	14.3	**2,180**	1,808	20.6
	7,291	7,168	1.7	**13,955**	14,255	(2.1)
Less: Interest cost capitalised as cost of property, plant and equipment	**(107)**	-	NM	**(242)**	-	NM
	7,184	7,168	0.2	**13,713**	14,255	(3.8)
Net foreign exchange gain	**-**	(28)	NM	**-**	(170)	NM
Total finance costs	**7,184**	7,140	0.6	**13,713**	14,085	(2.6)

Note 4 - Net Profit

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

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	Change	**2012**	2011	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment	**(6,253)**	(5,990)	4.4	**(12,425)**	(12,054)	3.1
Amortisation of intangible assets	**(98)**	(116)	(15.5)	**(196)**	(220)	(10.9)
Net foreign exchange gain	**95**	1,164	(91.8)	**1,189**	808	47.2
Under provision of tax in prior years	**(750)**	(688)	9.0	**(496)**	(550)	(9.8)
Gain on disposal of property, plant and equipment	**244**	45	442.2	**309**	176	75.6
Write-off of property, plant and equipment	**259**	-	NM	**259**	-	NM
Impairment loss trade receivables	**(28)**	(4)	600.0	**(30)**	(7)	328.6
Inventories written off	**(249)**	(175)	42.3	**(376)**	(445)	(15.5)
Allowance made for inventory obsolescence	**(598)**	(384)	55.7	**(1,018)**	(831)	22.5

Note 5 - EBITDA

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	Change	**2012**	2011	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Profit Before Tax	**20,515**	19,314	6.2	**42,405**	37,153	14.1
Interest expense	**7,184**	7,168	0.2	**13,713**	14,255	(3.8)
Fair value (gain)/loss on interest rate derivatives	**(118)**	306	NM	**(256)**	(370)	(30.8)
Interest income	**(85)**	(70)	21.4	**(137)**	(84)	63.1
Depreciation of property, plant and equipment	**6,253**	5,990	4.4	**12,425**	12,054	3.1
Amortisation of intangible assets	**98**	116	(15.5)	**196**	220	(10.9)
EBITDA	**33,847**	32,824	3.1	**68,346**	63,228	8.1

PETRA FOODS LIMITED

(Registration no. 198403096C)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		30-Jun-12	31-Dec-11	**30-Jun-12**	31-Dec-11
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**31,874**	19,091	**16,391**	10,276
Derivative assets		**3,770**	11,818	**2,013**	10,423
Trade receivables		**155,919**	162,499	**286,054**	247,011
Inventories	1	**542,995**	477,885	**10,245**	9,433
Tax recoverable		**10,323**	10,292	**677**	661
Other current assets		**37,332**	33,838	**4,771**	12,208
Receivables from subsidiaries		**-**	-	**3,168**	-
		782,213	715,423	**323,319**	290,012
Non-current assets					
Investments in subsidiaries	2	**-**	-	**145,461**	145,356
Investments in associated companies and joint venture		**3,336**	3,348	**3,140**	3,000
Receivables from subsidiaries		**-**	-	**96,444**	88,417
Loans to associated company		**2,640**	2,531	**-**	-
Property, plant and equipment	3	**293,688**	280,361	**2,279**	2,270
Intangibles assets		**20,651**	20,958	**1,784**	1,784
Deferred income tax assets		**22,853**	23,896	**349**	581
Other non-current assets		**646**	728	**-**	5
		343,814	331,822	**249,457**	241,413
Total Assets		**1,126,027**	1,047,245	**572,776**	531,425
LIABILITIES					
Current liabilities					
Trade payables		**99,493**	136,563	**39,592**	74,894
Other payables		**58,408**	59,000	**16,619**	19,001
Current income tax liabilities		**6,053**	3,855	**755**	1,349
Derivative liabilities		**13,874**	13,082	**10,438**	10,770
Borrowings	4	**318,247**	374,405	**123,931**	140,259
		496,075	586,905	**191,335**	246,273
Non-current liabilities					
Borrowings	4	**290,888**	146,734	**166,295**	72,121
Deferred income tax liabilities		**4,572**	4,900	**-**	-
Provisions for other liabilities and charges		**12,140**	11,783	**-**	-
		307,600	163,417	**166,295**	72,121
Total liabilities		**803,675**	750,322	**357,630**	318,394
NET ASSETS		**322,352**	296,923	**215,146**	213,031
Capital and reserves attributable to the Company's equity holders of the Company					
Share capital		**155,951**	155,951	**155,951**	155,951
Foreign currency translation reserve		**(11,260)**	(6,939)	**-**	-
Other reserves	5	**(21,732)**	(32,217)	**(15,163)**	(17,274)
Retained earnings		**199,049**	179,787	**74,358**	74,354
		322,008	296,582	**215,146**	213,031
Non controlling interest		**344**	341	**-**	-
Total equity		**322,352**	296,923	**215,146**	213,031

Explanatory notes on statement of Financial Position

Note 1 - Inventories

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

	30 June 2012	31 December 2011
	US$'000	US$'000
Cocoa Ingredients	489,977	419,688
Branded Consumer	53,018	58,197
	542,995	477,885

Compared to end FY 2011, the Group's inventories at 30 June 2012 were higher as the Cocoa Ingredients Division increased its cocoa bean sourcing activities in key origin countries during the main crop season in Indonesia and Brazil to minimize supply risk; achieve cost savings; and secure higher quality beans. This was partly offset by lower inventories carried by the Branded Consumer Division.

Note 2 - Investment in Subsidiaries

On 9 February 2012, the Company incorporated a wholly-owned subsidiary, Delfi Cocoa Investment SA, in Switzerland with an issued and paid up capital of Swiss France (SFr) 100,000 of 100 ordinary shares at par value of SFr 1,000 each, paid in cash.

On 8 June 2012, the Group set up a wholly-owned subsidiary, Delfi Cocoa Cote d'Ivoire SA in Ivory Coast with an issued and paid up capital of Central African Francs 215 million (US$438,000).

Note 3 - Capital Expenditure on Property, Plant and Equipment

	2Q ended 30 June		6 months ended 30 June	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Cocoa Ingredients	11,200	10,542	23,200	13,358
Branded Consumer	4,257	2,249	7,506	3,558
	15,457	12,791	30,706	16,916

The Group's higher 1H 2012 capital expenditure was to support the growth momentum of its two businesses.

Note 4 - Borrowings

	Group		Company	
	30-Jun-12	31-Dec-11	**30-Jun-12**	31-Dec-11
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**19,782**	15,143	**-**	-
Bank borrowings	**94,300**	59,168	**33,732**	1,533
MTN	**158,164**	117,279	**158,164**	117,279
Finance lease liabilities	**3,218**	2,531	**657**	631
Trade finance and short term advances	**333,671**	327,018	**97,673**	92,937
	609,135	521,139	**290,226**	212,380
Breakdown of borrowings:				
Current	**318,247**	374,405	**123,931**	140,259
Non current	**290,888**	146,734	**166,295**	72,121
	609,135	521,139	**290,226**	212,380

* Note: Includes US$98.5 million of trade finance with more than 1 year tenor (end-2011: US$48.9 million).

During 1H 2012, the Group further extended its debt maturity profile to match its financing and investment needs by raising the following additional non-current borrowings:

(1) S$110 million (US$87.9 million equivalent) of Medium Term Notes (MTN);
(2) US$53.5 million of Term Loans; and
(3) US$49.6 million of longer tenor trade finance in Europe and Brazil.

The proceeds were mainly utilized to fund higher inventories and finance repayment of the Group's MTN and Term Loans (see para 1(c) - Cash flow from financing activities and note on consolidated cash and cash equivalents). With these new borrowings, the Group increased its proportion of MTN/Term Loans and long term trade finance to 56% of total debt versus 42% as at end 2011.

Note 5 - Other Reserves - Cash Flow Hedge Reserve

Derivatives are used by the Group to manage exposure to foreign exchange, interest rate and cocoa bean price risks arising from its operational and financing activities. Included in other reserves was a negative cash flow hedge reserve (see para 1(d)(i)). Compared to end 2011, the negative cash flow hedge reserve was lower by US$10.5 million from US$33.9 million at end 2011 to US$23.4 million. This was due to recognition of derivatives losses taken out as hedges for the physical trades that were delivered in the period; plus an increase in cocoa bean future prices during 1H 2012.

Note 6 - Key Ratios

	Group	
	30-Jun-12	31-Dec-11
Current Ratio	**1.58**	1.22
Average Inventory Days	**142**	121
Average Receivable Days	**37**	35
Net Debt to Equity	**1.79**	1.69
Adjusted Net Debt to Equity*	**0.53**	0.48

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

Inventory days was higher as the Cocoa Ingredients Division increased its cocoa bean sourcing activities in key origin countries during the main crop season to minimize supply risk; achieve cost savings; and secure higher quality beans. The improvement in current ratio is mainly due to the use of longer tenor trade finance to fund the higher inventories.

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

	Group		Company	
	30-Jun-12	31-Dec-11	**30-Jun-12**	31-Dec-11
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**102,805**	128,423	**180**	161
- Unsecured	**215,442**	245,982	**123,751**	140,098
	318,247	374,405	**123,931**	140,259
Amount repayable after one year				
- Secured	**107,190**	64,486	**477**	470
- Unsecured	**183,698**	82,248	**165,818**	71,651
	290,888	146,734	**166,295**	72,121

Details of collateral

Of the Group's total bank borrowings, US$210.0 million are secured on trade receivables, inventories, property, plant and equipment and legal mortgages of land and properties.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Period ended 30-Jun-12	Period ended 30-Jun-11
		US$'000	US$'000
Cash flows from operating activities			
Profit before tax		**42,405**	37,153
Adjustments:			
Depreciation and amortisation		**12,621**	12,274
Property, plant and equipment written off		**259**	-
Gain on disposal of property, plant and equipment		**(309)**	(176)
Interest income		**(137)**	(84)
Interest expense		**13,713**	14,255
Fair value of derivatives		**(57)**	(402)
Net foreign exchange gain		**-**	(170)
Share of loss/(gain) from associated companies and joint venture		**9**	(78)
Operating cash flow before working capital changes		**68,504**	62,772
Change in working capital			
Inventories		**(65,110)**	28,815
Trade and other receivables		**14,506**	(20,632)
Trade and other payables		**(34,188)**	(10,100)
Cash (used in)/generated from operations		**(16,288)**	60,855
Interest received		**137**	84
Income tax paid		**(10,046)**	(11,089)
Net cash (used in)/generated from operating activities		**(26,197)**	49,850
Cash flows from investing activities			
Purchases of property, plant and equipment	1	**(28,899)**	(14,611)
Investment in joint venture		**(140)**	-
Non-controlling interest contribution in subsidiary		**-**	490
Payments for patents & trademarks		**(18)**	(25)
Proceeds from disposals of property, plant and equipment		**342**	198
Net cash used in investing activities		**(28,715)**	(13,948)
Cash flows from financing activities			
Proceeds from term loans		**54,327**	6,190
Proceeds from trade finance and short term advances		**6,652**	11,973
Proceeds from issuance of Medium Term Notes		**87,932**	50,923
Repayments of term loans		**(18,987)**	(33,614)
Repayments of Medium Term Notes		**(39,139)**	(15,972)
Repayment of lease liabilities		**(1,129)**	(714)
Interest paid		**(13,713)**	(14,255)
Dividend paid to equity holders of company		**(12,956)**	(10,512)
Net cash provided by/(used in) financing activities		**62,987**	(5,981)
Net increase in cash and cash equivalents		**8,075**	29,921
Cash and cash equivalents			
Beginning of financial year		**3,947**	(4,633)
Effects of currency translation on cash and cash equivalents		**70**	(2,131)
End of financial year		**12,092**	23,157

Notes

1 The amount excludes additions of property, plant and equipment of US$1,807,000 (1H 2011: US$2,305,000) that were financed by lease liabilities.

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

	Period ended	
	30-Jun-12	30-Jun-11
	US$'000	US$'000
Cash and bank balances	**31,874**	30,302
Less: Bank overdrafts	**(19,782)**	(7,145)
	12,092	23,157

Consolidated Statement of Comprehensive Income

	2Q ended 30 June		1H ended 30 June	
	2012	**2011**	**2012**	**2011**
	US$'000	US$'000	**US$'000**	US$'000
Profit for the period	**15,879**	14,901	**32,212**	28,461
Other comprehensive income:				
Cash flow hedges:				
- Fair value (losses)/gains	**(5,267)**	6,082	**9,016**	4,774
- Transfer to profit or loss	**9,795**	(2,403)	**4,445**	(1,753)
- Tax on fair value adjustments	**(1,672)**	(152)	**(2,976)**	73
	2,856	3,527	**10,485**	3,094
Currency translation differences arising from consolidation	**(5,939)**	2,929	**(4,312)**	7,628
Other comprehensive (expense)/income, net of tax	**(3,083)**	6,456	**6,173**	10,722
Total comprehensive income for the period	**12,796**	21,357	**38,385**	39,183
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	**12,798**	21,249	**38,382**	39,074
Non-controlling interest	**(2)**	108	**3**	109
	12,796	21,357	**38,385**	39,183

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							
	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	General reserve	Retained earnings	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1Q 2012								
Balance at 1 January 2012	155,951	(6,939)	(33,881)	1,664	179,787	296,582	341	296,923
Total comprehensive income for the quarter	-	1,616	7,629	-	16,339	25,584	5	25,589
Balance at 31 March 2012	155,951	(5,323)	(26,252)	1,664	196,126	322,166	346	322,512
2Q 2012								
At 1 April 2012	155,951	(5,323)	(26,252)	1,664	196,126	322,166	346	322,512
Total comprehensive income for the quarter	-	(5,937)	2,856	-	15,879	12,798	(2)	12,796
Final dividend relating to 2011	-	-	-	-	(12,956)	(12,956)	-	(12,956)
At 30 June 2012	155,951	(11,260)	(23,396)	1,664	199,049	322,008	344	322,352
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

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company			
	Share capital	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000	US$'000
The Company				
1Q 2012				
Balance at 1 January 2012	155,951	(17,274)	74,354	213,031
Total comprehensive income for the quarter	-	4,286	2,363	6,649
Balance at 31 March 2012	155,951	(12,988)	76,717	219,680
2Q 2012				
At 1 April 2012	155,951	(12,988)	76,717	219,680
Total comprehensive income for the quarter	-	(2,175)	10,597	8,422
Final dividend relating to 2011	-	-	(12,956)	(12,956)
At 30 June 2012	155,951	(15,163)	74,358	215,146
The Company				
1Q 2011				
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
2Q 2011				
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

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.

For 2Q and Half Year ended 30 June 2012, 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 2011, except for the adoption of accounting standards (including their consequential amendments) and interpretations applicable for financial period beginning 1 January 2012. The adoption of the following new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group and of the Company:

Amendments to FRS 107	Disclosures - Transfer of Financial Assets
Amendments to FRS 12	Deferred Tax - Recovery of Underlying Assets

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 paragraph 4.

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	
		2012	2011	**2012**	2011
(i)	Based on weighted average number of ordinary shares in issue - (US cents)	2.60	2.42	5.27	4.64
(ii)	On a fully diluted basis - (US cents)	2.60	2.42	5.27	4.64

Notes

1. Basic earnings per share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 30 June 2012 and 30 June 2011 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:

(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-12	31-Dec-11	**30-Jun-12**	31-Dec-11
Net asset value per ordinary share based on issued share capital - (US cents)	**52.7**	48.5	**35.2**	34.9

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			6 months ended 30 June		
	2012	2011	%	**2012**	2011	%
	US$'000	US$'000		**US$'000**	US$'000	
Cocoa Ingredients	**253,544**	324,046	(21.8)	**535,780**	647,212	(17.2)
Branded Consumer	**124,340**	108,239	14.9	**244,721**	218,160	12.2
REVENUE	**377,884**	432,285	(12.6)	**780,501**	865,372	(9.8)
Cocoa Ingredients	**12,292**	17,927	(31.4)	**28,727**	34,144	(15.9)
Branded Consumer	**21,555**	14,897	44.7	**39,619**	29,084	36.2
EBITDA	**33,847**	32,824	3.1	**68,346**	63,228	8.1
Finance Costs	**(7,184)**	(7,140)	0.6	**(13,713)**	(14,085)	(2.6)
Profit before tax	**20,515**	19,314	6.2	**42,405**	37,153	14.1
Net profit attributable to shareholders	**15,879**	14,807	7.2	**32,218**	28,367	13.6

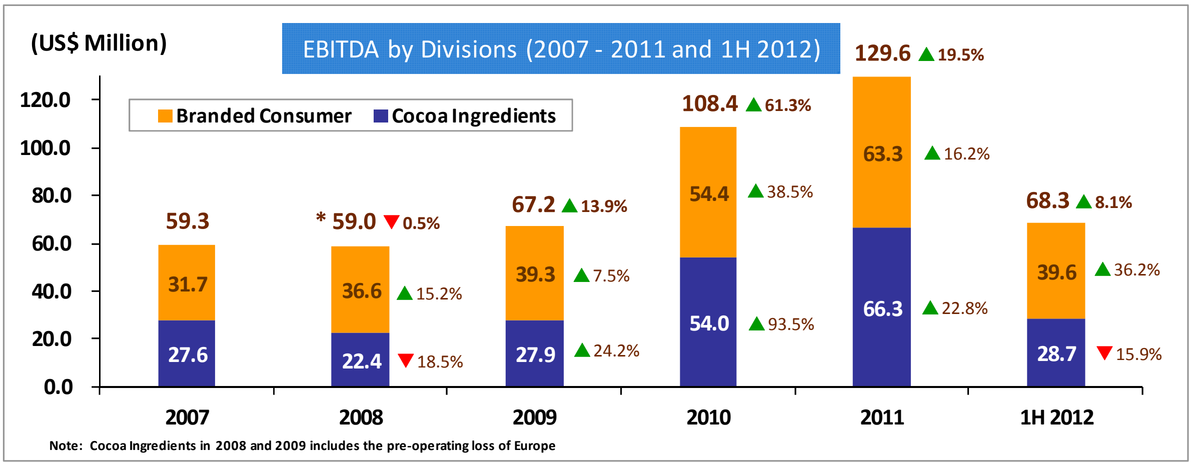
Key Indicators by Business Segments

	2Q ended 30 June			6 months ended 30 June		
	2012	2011	%	**2012**	2011	%
Branded Consumer						
Gross Profit Margin	**31.9%**	30.2%	1.7% pt	**31.8%**	30.2%	1.6% pt
Cocoa Ingredients						
Sales volume (MT)	**58,744**	65,135	(9.8)	**126,940**	133,464	(4.9)
Capacity utilisation				**88.0%**	91.0%	(3.0% pt)
EBITDA/ metric ton (6-month moving average)				**226**	256	(11.7)

(Registration no. 198403096C)

Review of the Group's 2Q 2012 and 1H 2012 Performance

Petra Foods Limited's strategy of operating in two of the key areas of the cocoa/chocolate value chain (ie. through our Cocoa Ingredients and Branded Consumer Divisions) provides a robust business model that has enabled the Group to consistently deliver growth over the years.



Note: * Before adjustments pertaining to the Hedge Re-designation charge; the Forex losses and the Fair Value Accounting Charge.

As the chart above illustrates, each year the Group's EBITDA has grown (with exception of 2008 which reflected the 1st full year of Europe's pre-operating loss), sometimes at very impressive rates, with the main driver of growth coming from either the Cocoa Ingredients Division or the Branded Consumer Division or both. This diversification within the cocoa/chocolate value chain provides both financial synergy to maximize shareholder value and also a hedge against times of adverse market conditions in one of the divisions.

Through our Twin Engines of Growth, the Group achieved a combined Net Profit attributable to Equity Holders of US$15.9 million for 2Q 2012 and US$32.2 million for 1H 2012, representing Year-on-Year ("Y-o-Y") growth of 7.2% and 13.6% respectively. In this period, the record profit was driven by the strong performance of Branded Consumer.

Key Financial Highlights of the Group

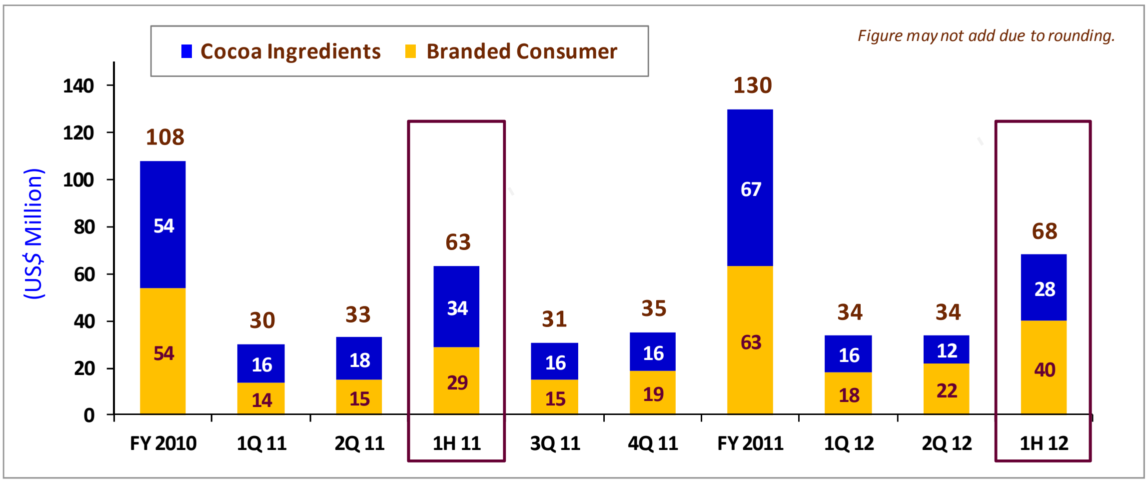
	2Q 2012 (US$ Million)	2Q 2011 (US$ Million)	% change Year on Year	1H 2012 (US$ Million)	1H 2011 (US$ Million)	% change Year on Year
Cocoa Ingredients	253.5	324.0	(21.8%)	535.8	647.2	(17.2%)
Branded Consumer	124.3	108.2	14.9%	244.7	218.2	12.2%
- Indonesia	94.3	79.2	19.0%	185.9	156.4	18.8%
- The Regional Markets	30.0	29.0	3.6%	58.9	61.7	(4.6%)
Total Revenue	**377.9**	**432.3**	**(12.6%)**	**780.5**	**865.4**	**(9.8%)**
Cocoa Ingredients	12.3	17.9	(31.4%)	28.7	34.1	(15.9%)
Branded Consumer	21.6	14.9	44.7%	39.6	29.1	36.2%
Total EBITDA	**33.8**	**32.8**	**3.1%**	**68.3**	**63.2**	**8.1%**

Figures may not add due to rounding.

For the periods under review, the Branded Consumer Division achieved 2Q 2012 EBITDA growth of 44.7% and 1H 2012 EBITDA growth of 36.2%.

For our Cocoa Ingredients Division, it achieved EBITDA of US$12.3 million in 2Q 2012 and US$28.7 million in 1H 2012, despite the current industry headwinds.

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



Review of the Group's 2Q 2012 and 1H 2012 Financial Performance by Divisions

Branded Consumer Division

Key Financial Highlights

	2Q 2012 (US$ Million)	2Q 2011 (US$ Million)	%change Year on Year	1H 2012 (US$ Million)	1H 2011 (US$ Million)	%change Year on Year
Indonesia	94.3	79.2	19.0%	185.9	156.4	18.8%
The Regional Markets	30.0	29.0	3.6%	58.9	61.7	(4.6%)
Branded Consumer Revenue	**124.3**	**108.2**	**14.9%**	**244.7**	**218.2**	**12.2%**
Gross Profit Margin (%)	31.9%	30.2%	+ 1.7% pt	31.8%	30.2%	+ 1.6% pt
EBITDA	**21.6**	**14.9**	**44.7%**	**39.6**	**29.1**	**36.2%**

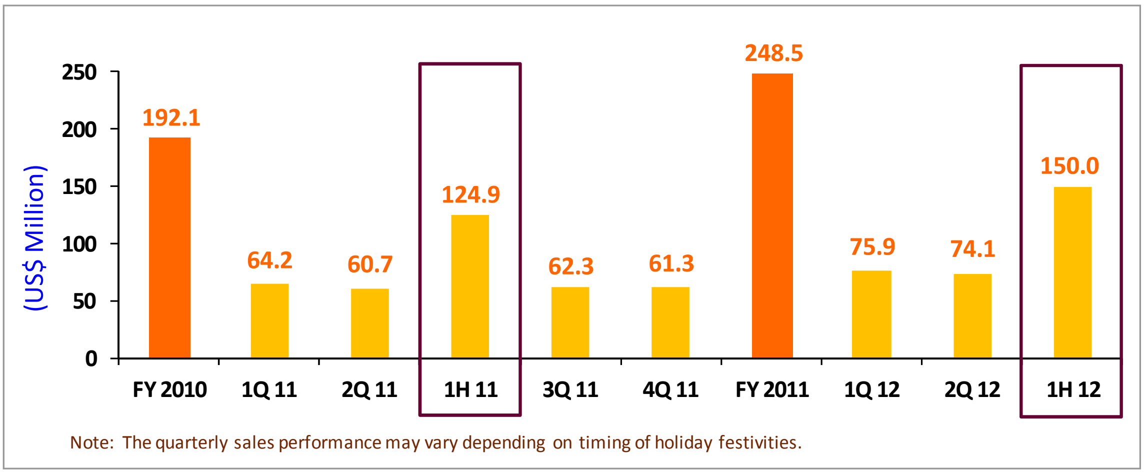
Figures may not add due to rounding.

Following the growth momentum in 1Q 2012, the Branded Consumer Division generated continued strong financial performance in 2Q 2012 culminating in 1H 2012 revenue of US$244.7 million (representing Y-o-Y growth of 12.2%) and EBITDA of US$39.6 million (representing Y-o-Y growth of 36.2%), as illustrated in the table above. This strong performance represents another record quarter and half year performance achieved by the Branded Consumer Division.

With the vibrant consumption in our regional markets, the Division's strong performance can be attributed to the higher Own Brands sales and higher profit margins achieved. The Own Brands sales growth of 22.2% Y-o-Y in 2Q 2012 and 20.1% Y-o-Y in 1H 2012 was driven by the strong performance in Indonesia and the Philippines.

At this juncture, it should be highlighted that the slower Y-o-Y revenue growth for the Regional markets is due to the lower Agency Brands sales as a result of the rationalization exercise undertaken by management in May 2011 to discontinue some of the less profitable Agency Brands in Singapore and Malaysia. For a more representative performance in the Regional markets, if prior year comparables were adjusted for these discontinued Agency Brands, the revenue growth would have been 28.1% in 2Q 2012 and 25.4% in 1H 2012.

Branded Consumer Division's Own Brands Sales Performance (Quarterly, Half Year and Full Year)

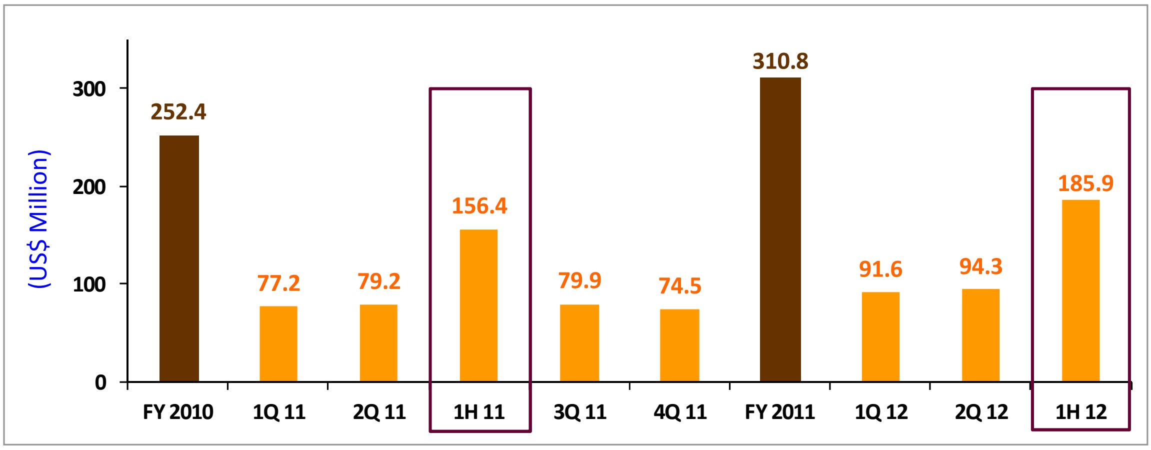


The Own Brands sales growth achieved of 22.2% and 20.1% in 2Q 2012 and 1H 2012 respectively was driven by the strong double digit growth in Indonesia and the Philippines. This can be attributed to our successful brand development programmes, strong gains from the new products launched (in total more than 40 new products) in the last 12 months and increased market penetration of our Own Brands as we continued to expand our distribution for all consumer segments.

Performance by Markets

- **Indonesia**

Indonesia's Revenue Performance (Quarterly, Half Year and Full Year)



The key drivers of the strong revenue growth achieved by our business in Indonesia are as follows:

- **Own Brands** - Continuing from the robust momentum in 1Q 2012, Own Brands sales achieved strong double digit revenue growth in 2Q 2012 mainly in the Premium segment. This strong performance can be attributed to our past and present investments in our Brand development programmes, our innovation pipeline (especially in the Premium segment) and wider distribution coverage.

- **Agency Brands** - The strong sales growth achieved was driven mainly by organic growth achieved by existing agencies and contributions from new Agency Brands secured.

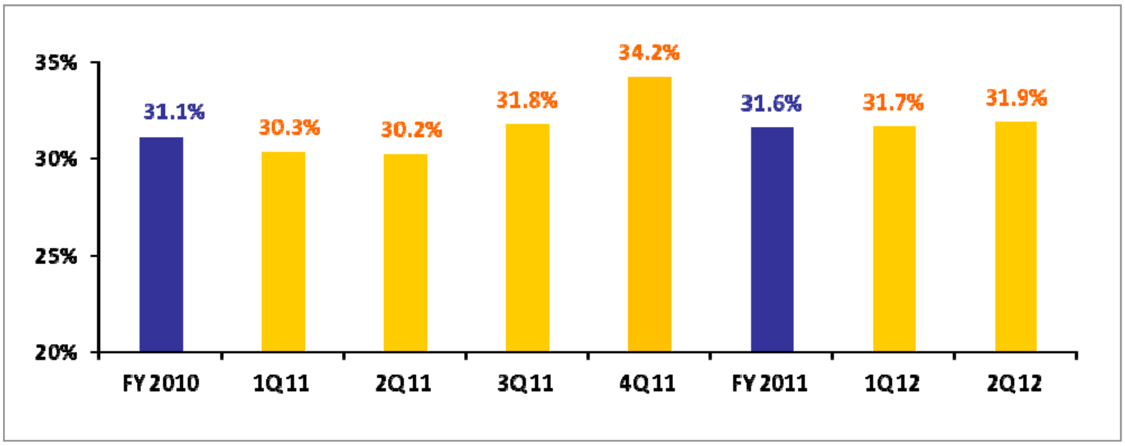
- **The Regional Markets of the Philippines, Malaysia and Singapore**

The performance of our Own Brands portfolio in the Philippines was similarly impressive with strong double digit revenue growth achieved. This can be attributed to the aggressive new product launches supported by higher levels of investment in brands development programmes and the expansion of our distribution coverage.

However, the strong Own Brands sales achieved in the regional markets were offset by lower Agency Brands sales as a result of the rationalization exercise undertaken by management in May 2011 to discontinue some of the less profitable Agency Brands, resulting in the 4.6% revenue decline in the Regional markets. If the prior year comparables were adjusted for the effect of this rationalization exercise, and to make a Y-o-Y comparison more meaningful, the Regional Markets' revenue in 1H 2012 increased by 25.4%.

Branded Consumer Division's Gross Profit Margin

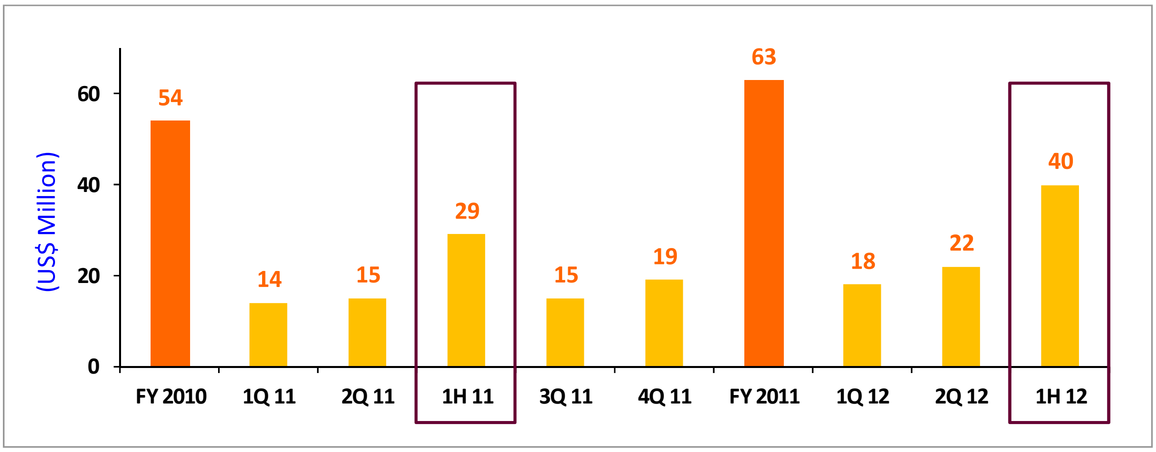
Gross Profit Margin Trend (Quarterly and Full Year)



The Branded Consumer Division's 2Q 2012 Gross Profit Margin of 31.9% (higher Y-o-Y by 1.7% point) reflected mainly the effect of the pricing adjustments for Own Brands implemented in August 2011 to mitigate the anticipated higher input costs in 2012; and the higher proportion of Premium products in the sales mix. The Division's strategy to tackle higher input costs includes pricing adjustments, launch of higher margined new products, product reformulation/right sizing and cost containment initiatives. In addition, the strategy of buying forward its main raw material requirements in a timely manner served to lock-in forward costs to a major extent thus providing greater cost visibility.

The other contributing factor to the margin improvement was the benefit derived from the discontinuation of the less profitable Agency Brands. In addition to the margin improvement, the other benefit for our Branded Consumer Division is the resultant lower level of inventory carried, which can be seen in Note 1 on Page 6.

Branded Consumer Division's EBITDA Performance (Quarterly, Half Year and Full Year)



Cocoa Ingredients Division

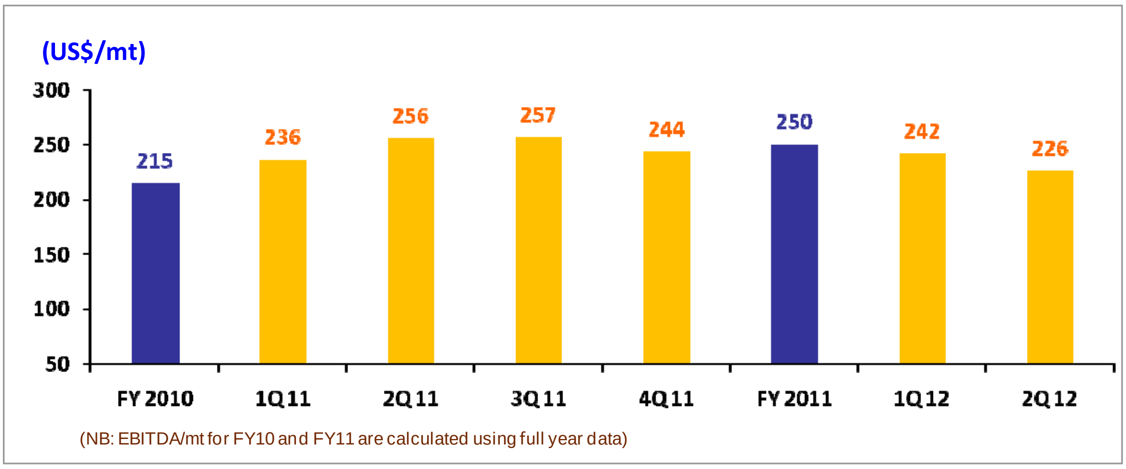
Key Financial Highlights

	2Q 2012 (US$ Million)	2Q 2011 (US$ Million)	%change Year on Year	1H 2012 (US$ Million)	1H 2011 (US$ Million)	%change Year on Year
Revenue	253.5	324.0	(21.8%)	535.8	647.2	(17.2%)
EBITDA	12.3	17.9	(31.4%)	28.7	34.1	(15.9%)
EBITDA/mt (6 months moving average) in US$	226	256	(11.7%)	226	256	(11.7%)
Sales volume (mt)	58,744	65,135	(9.8%)	126,940	133,464	(4.9%)

As already commented in Paragraph 10 of the Group's 1Q 2012 Unaudited Financial Statement and Dividend Announcement in May 2012, although the Cocoa Ingredients Division started the year on a positive note, the global industry and market is facing headwinds in the form of pricing pressure as a result of the excess capacity supply situation.

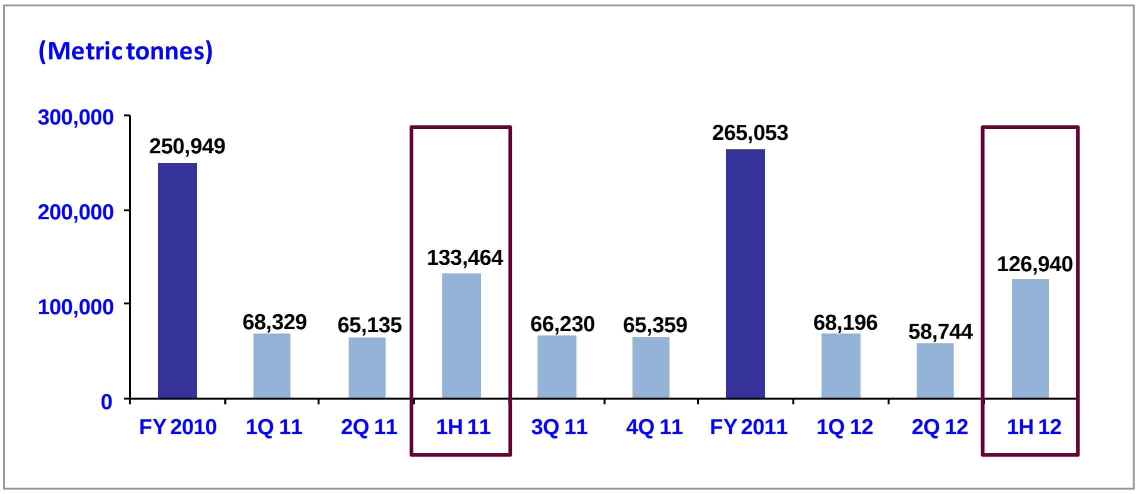
Resulting from this, the Cocoa Ingredients Division achieved 2Q 2012 EBITDA of US$12.3 million (lower Y-o-Y by 31.4%) on EBITDA yield of US$226/mt (lower by 11.7% Y-o-Y) and sales volume of 58,744 mt of cocoa products (lower Y-o-Y by 9.8%).

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



To navigate through these headwinds, we have focused on: (1) driving demand for customized ingredients; (2) strategically reduced production throughput and sales to the price sensitive segment and less strategic markets (eg. Eastern Europe); (3) improving cost efficiencies eg. direct bean sourcing; and (4) limiting capital expenditure to only the most critical and immediately income generating.

Cocoa Ingredients Division's Sales Volume (Quarterly, Half Year and Full Year)



Review of Financial Position and Cash Flow

Balance Sheet as at	**30-Jun-12**	31-Dec-11	Change
	US$'000	US$'000	US$'000
Current assets	**782,213**	715,423	66,790
Non current assets	**343,814**	331,822	11,992
Total Assets	**1,126,027**	1,047,245	78,782
Working capital [1]	**187,612**	79,589	108,023
Net Borrowings [2]	**577,261**	502,048	75,213
Shareholders' Equity	**322,008**	296,582	25,426

Note:
1 Working capital is computed as current assets less current liabilities and long term trade finance used to fund cocoa inventories (see Note 1(b)(i) Note 4).
2 Total Borrowings less cash and cash equivalents.

Shareholders' equity was higher by US$25.4 million on:

1. 1H 2012 net profit growth achieved; and
2. Lower negative cash flow hedge reserve (see para 1(b)(i) Note 5).

But after reflecting:

i. Impact of the weaker Euro and Rupiah on its foreign currency reserve (see para 1(b)(i)); and
ii. The final dividend for 2011.

Total assets were also higher by US$78.8 million mainly due to:

1. The US$65.1 million increase in inventories as the Cocoa Ingredients Division increased its direct sourcing activities for cocoa beans in key origin locations during the main crop season (to minimize supply risk, achieve cost savings, and secure higher quality beans) (see para 1(b)(i) Note 1) to support its expanded capacity in Asia; and

2. Capital expenditure of US$30.7 million to support the growth momentum of both businesses (see para 1(b)(i) Note 3).

The increase was funded through a combination of operating cash flow (before working capital changes) of US$68.5 million, long term trade finance and MTNs (see para 1(c)).

As a result, the Group's net debt to equity ratio increased from 1.69 times as of December 2011 to 1.79 times as at June 2012 and for adjusted net debt to equity ratio from 0.48 times to 0.53 times.

Financial Strategy

In light of the heightened uncertainty in the global financial environment, the Group has taken further measures (as part of its on-going programme) to manage its liquidity and credit financing risks by building financial flexibility and further extending the Group's debt maturity profile to match its financing and investment needs.

During 1H 2012, the Group raised additional long term trade finance, term loans and MTN totaling US$191 million. The proceeds were used to fund its cocoa inventories and refinance its MTN and term loans repayment. We have raised the proportion of non-current debt to the Group's total debt from 42% to 56% which reduces its refinancing risk.

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 and Half Year 2012 are in line with the commentary made in Paragraph 10 of the Group's 1Q 2012 ended 31 March 2012 Unaudited Financial Statement and Dividend Announcement in May 2012.

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.

The global environment for the rest of 2012 and into 2013 is expected to remain challenging with continued uncertainty over the Euro zone debt situation; the fragile global economic environment (especially in Europe and the US); and the contrasting global chocolate consumption with the developed markets generally experiencing weak demand while the developing markets continue to generate solid consumption.

Despite these uncertainties, the performance of our Branded Consumer Division in 2012 is expected to remain strong, essentially a continuation of the 1H 2012 growth momentum. The consumption environment in our regional markets is expected to remain vibrant supported by the strong regional economies and fast growing middle income classes. We will continue to capitalize on this strong consumption trend by further extending the market reach of our products through our brand building initiatives to drive our core portfolio of brands and through new products offerings to our consumers, including diversifying into new product categories. In tandem with our Brand Development initiatives, we will also be further broadening our distribution network to continue driving the growth of our business.

In addition to the economic backdrop described above, the global cocoa ingredients industry is facing additional significant headwinds as a result of the recent build up in excess capacity within the industry. As a result, we expect the global cocoa ingredients suppliers to experience erosion in their profit margins for the foreseeable future and the Group will be no exception. The financial performance of our Cocoa Ingredients Division in 2012 is, therefore, expected to be significantly lower than that achieved in 2011.

However, we have built a robust business model with two complementary core businesses, and are well-prepared to face challenges ahead.

<u>Tax recoverable</u>

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

In FY 2009, Indonesia's 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 always conducted at arm's length based on the methods prescribed in the OECD Transfer Pricing Guidelines.

GFI was subsequently 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, whilst it has paid the additional tax assessment, has not made any provision in its accounts with respect to this additional tax liability but rather recorded this as a recoverable amount. The proceedings ended in September 2010 and is now pending the 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)	2.63 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A

An interim dividend of 2.11 US cents or 2.63 Singapore cents per share is declared based on 611,157,000 ordinary shares issued. This represents a Y-o-Y increase of 0.40 Singapore cents or 17.9%.

Together with the final dividend of 2.12 US cents or 2.61 Singapore cents paid on 18 May 2012, the total cash distributions received by shareholders this year will amount to 4.23 US cents or 5.24 Singapore cents per share in 2012. This represents a Y-o-Y increase of 0.83 Singapore cents or 18.8%.

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)	2.23 cents per ordinary share (one-tier tax exempt)
Tax Rate	N.A

c. Date payable

The dividend is payable on 3 September 2012.

d. **Books closure date**

NOTICE IS HEREBY GIVEN that, the Transfer Books and the Register of Members of the Company will be closed at 5:00 p.m. on 22 August 2012 (***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 3 September 2012.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 26 April 2012 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

	[1] Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2Q 2012	**1H 2012**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	3,833	7,471
- Purchase of products	5,890	10,544
	9,723	**18,015**
PT Tri Keeson Utama		
- Sales of goods	**1,377**	**2,545**
PT Fajar Mataram Sedayu		
- Sales of goods	323	519
- Purchase of goods	148	305
	471	**824**
PT Sederhana Djaja		
- Lease of properties	19	38
	11,590	**21,422**

Note: [1] Aggregate value of all interested person transactions include transactions less than S$100,000.

14. Negative confirmation pursuant to Rule 705(5)

On behalf of the Board, we, directors of the Company, Mr Chuang Tiong Choon and Mr Chuang Tiong Kie, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Group for the 2nd Quarter and Half Year ended 30 June 2012 to be false or misleading.

15. Segmental revenue and results

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 30 June 2012			
Sales:			
- Total segment sales	554,688	244,721	799,409
- Inter-segment sales	(18,908)	-	(18,908)
Sales to external parties	535,780	244,721	780,501
EBITDA	28,727	39,619	68,346
Finance costs			(13,713)
Share of loss of associated companies and joint venture			(9)
Income tax expense			(10,193)
Assets and liabilities			
Segment assets	876,469	213,046	1,089,515
Associated companies			3,336
Unallocated assets			33,176
Consolidated total assets			1,126,027
Segment liabilities	118,522	65,393	183,915
Unallocated liabilities			619,760
Consolidated total liabilities			803,675
Other segment information			
Depreciation and amortisation	8,918	3,703	12,621
Capital expenditure	23,200	7,506	30,706
Sales of Branded Consumer is analysed as:			
- Own Brands		150,041	
- Agency Brands		94,680	
Total		244,721	

Segmental revenue and results continued

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 30 June 2011			
Sales:			
- Total segment sales	661,978	218,160	880,138
- Inter-segment sales	(14,766)	-	(14,766)
Sales to external parties	647,212	218,160	865,372
EBITDA	34,144	29,084	63,228
Finance costs			(14,085)
Share of profit of associated companies and joint venture			78
Income tax expense			(8,692)
Assets and liabilities			
Segment assets	825,815	217,890	1,043,705
Associated companies			3,294
Unallocated assets			17,945
Consolidated total assets			1,064,944
Segment liabilities	125,074	70,432	195,506
Unallocated liabilities			546,190
Consolidated total liabilities			741,696
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		93,227	
Total		218,160	

PETRA FOODS LIMITED

(Registration no. 198403096C)

Geographical segments

For period ended 30 June	Revenue		Capital Expenditure	
	2012	2011	**2012**	2011
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**226,984**	197,365	**10,174**	7,454
Singapore	**43,954**	35,040	**335**	651
Philippines	**34,598**	41,057	**160**	152
Thailand	**14,405**	13,898	**113**	49
Malaysia	**42,074**	46,200	**12,890**	1,951
Japan	**32,482**	34,483	**-**	-
China	**24,458**	19,765	**-**	-
Other countries in Asia	**17,798**	20,705	**-**	-
Europe	**190,016**	273,880	**6,510**	6,141
North America	**30,891**	40,396	**23**	1
South America	**77,069**	83,686	**501**	517
Australia	**15,744**	20,473	**-**	-
Middle East	**21,777**	22,367	**-**	-
Africa	**8,251**	16,057	**-**	-
	780,501	865,372	**30,706**	16,916

BY ORDER OF THE BOARD
Lian Kim Seng/Evelyn Chuang
Secretaries

8 August 2012