

Petra Foods divests its cocoa ingredients business to Barry Callebaut AG for US\$950 million

- *Proposed sale is expected to unlock significant value in the Cocoa Ingredients Division for Shareholders.*
- *When completed, the Group will focus on further growing its Branded Consumer Division in the region's high growth confectionery sector.*

SINGAPORE - 12 December 2012 - Petra Foods Limited ("Petra Foods" or "the Group"), a global manufacturer of cocoa ingredients and a leading regional player in branded confectionery products, announces today that it has signed a conditional sales and purchase agreement with Barry Callebaut AG ("Barry Callebaut") for the sale of the Group's entire Cocoa Ingredients Division ("the Sale") for a total consideration of US\$950 million, subject to adjustments at completion.

Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products - from the cocoa bean to the finest chocolate product. Barry Callebaut is present in 30 countries, operates around 45 production facilities and employs a workforce of about 6,000 people. Barry Callebaut serves the entire food industry focusing on industrial food manufacturers, artisans and professional users of chocolate (such as chocolatiers, pastry chefs or bakers), the latter with its two global brands Callebaut® and Cacao Barry®.

The proposed Sale comprises Petra Foods' entire cocoa ingredients business including seven factories in Malaysia, Indonesia, Thailand, Brazil, Mexico, Germany and France and major sales offices in Singapore, Netherlands and the USA.

The consideration was arrived at following negotiations and a competitive sale process from which it emerged that the sale to Barry Callebaut represented the most attractive offer received. Arising from the proposed Sale, Petra Foods will realize a gain on disposal of approximately US\$106 million.

Mr. John Chuang, Petra Foods' Chief Executive Officer, said, "The Board of Directors of Petra Foods Limited is constantly evaluating the long term growth strategy for our Cocoa Ingredients and Branded Consumer businesses. This process includes assessing opportunities to grow the two businesses organically as well as through value-accretive transactions to enhance shareholders'

interests. In assessing the offers received, the Board took into consideration the investments required if we were to continue growing organically and it was after careful deliberation that the decision was taken by the Board to accept Barry Callebaut's offer. Their offer, not only represented the most attractive obtained, but also because we believed they would be an excellent custodian for our Cocoa Ingredients Division - a business we had built to be where it is currently, a business with significant global footprint across four continents."

"While all of us at Petra Foods maintain a strong emotional attachment to our Cocoa Ingredients Division, we believe the sale will allow us to immediately unlock substantial value in the business which is consistent with our intent of maximizing returns to our Shareholders." Mr. Chuang added that the offers received by Petra Foods were a resounding validation of the Group's success as a cocoa ingredients processor and underscored the strong business model and management team behind the business.

Barry Callebaut already has a strong presence in the global market for chocolate and cocoa products. Its acquisition of Petra Foods' Cocoa Ingredients Division is expected to be a cornerstone in its strategy to further grow its presence in the industrial chocolate and cocoa ingredients space.

Following the divestment, Petra Foods will focus on strengthening and expanding its Branded Consumer business in the fast growing regional economies by seizing the growth opportunities in the confectionery value chain through extending the market reach of its confectionery products, brand-building, new product offerings, as well as diversification into new product categories.

In conjunction with the divestment, Petra Foods will enter into a long-term supply agreement with Barry Callebaut to purchase cocoa ingredients so as to ensure that there is minimal disruption to its Branded Consumer Division in the sourcing of its cocoa ingredients requirements.

The net sales proceeds, after deducting all costs and expenses associated with the Sale, will be utilized substantially to reduce all the debt facilities of the Company.

The balance, estimated at approximately US\$300 million, will be retained to finance the future growth of the Branded Consumer Division and part of the proceeds could possibly be distributed to Petra Foods' shareholders. The Group will update its shareholders in due course.

The completion of the Sale is conditional upon the approval of Petra Foods' shareholders at an extraordinary general meeting ("EGM") to be convened at a date to be announced in due course. Mr. John Chuang and his spouse, Mdm. Lim Mee Len, are the controlling shareholders of Petra Foods, controlling approximately 51% of the issued shares of Petra Foods as at the date of this press release. Mr. Chuang has undertaken and has undertaken to procure Mdm. Lim to vote the Shares under their respective control in favour of the proposed Sale and not to sell, transfer, or otherwise dispose of such Shares pending the close of the EGM.

In addition, the completion of the Sale is subject to conditions which include the receipt of regulatory approvals (including approvals under antitrust and/or competition laws of the European Union and the US) and the legal restructuring of the Company's Cocoa Ingredients Division.

Lazard Asia Limited is acting as sole financial advisor to Petra Foods in relation to the Sale.

For more details of the proposed Sale, please refer to the Announcement on SGX titled "Proposed Disposal of the Company's Cocoa Ingredients Business" which was posted on the SGXNet on 12 December 2012.

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ABOUT PETRA FOODS LIMITED

Listed on the SGX-ST since 5 November 2004, Petra Food Limited and its subsidiaries (“the Group”) is one of the world’s major manufacturers and suppliers for premium cocoa ingredients, namely cocoa powder, cocoa butter and cocoa liquor. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products, for which it is the market leader in Indonesia.

The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer**.

Cocoa Ingredients Division

The Group manufactures and sells cocoa ingredients, under the “Delfi” brand, to over 30 countries worldwide. Its major customers are international food and beverage companies such as Nestlé, Cadbury, the Mars Group, Arnott’s, A.B. Foods, Barry Callebaut and the Meiji Group.

Branded Consumer Division

The Group manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China. Petra Foods has an established portfolio of chocolate confectionery brands which are household names in Indonesia include 10 master brands and 20 key sub brands and manufactures over 300 stock keeping units. Its flagship brands in Indonesia include “SilverQueen” and “Ceres” that were introduced in the 1950s and “Delfi” in the 1980s. In addition, the Group also distributes a well-known portfolio of 3rd Party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods currently has six cocoa processing facilities (located in Indonesia, Malaysia, Thailand, Brazil, Mexico and Germany), one cocoa butter facility (located in France), two chocolate confectionery production facilities (located in Indonesia and the Philippines) and a total staff strength of close to 6,000.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003. In addition, it was recognised as the “Best Newly Listed Singapore Company in 2004” in AsiaMoney’s Best Managed Companies Poll 2004. Petra Foods was named the “Enterprise of the Year 2004” by the 20th Singapore Business Awards on 30 March 2005 and was named one of “Singapore’s 15 Most Valuable Brands” in November 2005 by IE Singapore.

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 capitalisation” category. In May 2010, it bagged two Silver awards for “Best Managed Board” and “Best Investor Relations” under the “companies with \$300 million to less than \$1 billion in market capitalisation” category.

Most recently, the Group’s Chief Executive Officer, Mr John Chuang, was recognised for his leadership and management of Petra Foods. He was named “Best Chief Executive Officer at the 2011 Singapore Corporate Awards and “Businessman of the Year” at the 2012 Singapore Business Awards.