

PETRA FOODS

L I M I T E D

Registration No. 198403096C

PROFIT GUIDANCE FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2012

Branded Consumer Division generates another year of record profitability, while the Group's results will be negatively impacted by the to-be-divested Cocoa Ingredients Division due to additional provisions and exceptional charges

The Board of Directors (the "**Board**") of Petra Foods Limited (the "**Company**"), together with its subsidiaries and associated companies, the "**Group**") wishes to provide profit guidance on the Group's results for the fourth quarter and full year ended 31 December 2012 ("**4Q2012**" and "**FY 2012**" respectively).

This statement should be read in conjunction with the Company's announcement dated 8 November 2012 on the Group's unaudited financial statements for the third quarter ended 30 September 2012 ("**3Q2012**") and the Company's announcement dated 12 December 2012 on the proposed disposal of the Group's Cocoa Ingredients Division (the "**Proposed Disposal**").

The Board refers to the Company's announcement dated 8 November 2012 wherein it was stated in Paragraph 10 on Page 25 that

"...In addition to the economic backdrop described above, the global cocoa ingredients industry is facing additional significant headwinds resulting from 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. These headwinds and their impact on profitability are expected to continue into 2013.

Despite another year of record performance by Branded Consumer, this is unlikely to offset Cocoa Ingredients' significantly lower 2012 performance. As a result, the Group's FY 2012 net profit is likely to be lower than last year's."

Since the announcement on 8 November 2012, the negative pressures affecting global cocoa ingredients suppliers have deteriorated further resulting in our Cocoa Ingredients Division expecting to incur an operating loss for the 4Q2012 and for FY2012 as a whole. We expect these losses to continue and possibly worsen in 2013.

In addition, the Company's Proposed Disposal has resulted in additional provisions of US\$13.5 million and exceptional charges of US\$14.0 million which are required to be recognized in the current accounting period even though completion of the Proposed Disposal is not expected until after June or July 2013.

This will not affect the Proposed Disposal as both Petra Foods and Barry Callebaut are committed to completing the transaction by the targeted date.

The Company's Branded Consumer business has continued its strong performance in 4Q2012 and as a result, the Group will remain profitable for the full year 2012. However, the losses sustained by the Cocoa Ingredients Division and the one-time charges currently required to be recognized on account of the

Proposed Disposal will result in a net loss situation for the Group in 4Q2012. As explained in the 12 December 2012 announcement of the Proposed Disposal, net proceeds (after deducting all costs and expenses associated with the Proposed Disposal) will be utilised to substantially reduce all the borrowings pertaining to the to-be-divested Cocoa Ingredients business. To the extent operating losses are expected to be incurred by the to-be-divested Cocoa Ingredients business in the first half of 2013 and until Completion, the net borrowings of the Company will increase to fund these expected operating losses. Therefore, the remaining proceeds after repayment of net borrowing will be reduced, although the aggregate consideration for the Proposed Disposal as agreed with Barry Callebaut will remain at US\$950 million, subject to adjustments at completion.

This profit guidance announcement is only based on the unaudited accounts of the Group, which are currently being audited by the Company's independent auditors. Details of the Group's financial results for the year ending 31 December 2012 are expected to be announced before the start of trading day on 27th February 2013.

Shareholders and potential investors are advised to act cautiously when dealing with their shares in the Company and when doing so should consider the financial results of the Group for 4Q2012 and FY2012. If in doubt about the action that they should take, shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

By Order of the Board
Lian Kim Seng
Company Secretary
6 February 2013