

## FOR IMMEDIATE RELEASE

# Petra Foods' reports net profit of US\$25.9 million for FY2012

- Strong performance achieved by Branded Consumer Division with net profit higher 38.6% Year-on-Year
- Final cash dividend of 1.86 US cents is proposed, lifting total dividend for the year to 3.97 US cents

Financial Highlights (US\$ Million)	4Q ended 31 December			Year ended 31 December		
	2012	2011	% Change	2012	2011	% Change
<b>BRANDED CONSUMER</b>						
Revenue	119.9	101.5	▲18.1	477.7	419.8	▲13.8
EBITDA	23.1	19.5	▲18.3	84.8	63.8	▲32.9
Net Profit	14.7	13.5	▲9.1	54.5	39.4	▲38.6
Net (loss)/profit from to-be divested Cocoa Ingredients <sup>1</sup>	(31.4)	4.9	NM	(28.6)	21.2	NM
Group Net Profit	(16.7)	18.4	NM	25.9	60.6	▼57.2

<sup>1</sup> Impacted by additional provisions and exceptional charges totalling US\$27.5 million, net of tax

**SINGAPORE - 27 February 2013 - Petra Foods Limited** ("Petra Foods" or the "Group"), today announced that the Group achieved net profit attributable to shareholders of US\$25.9 million for the full year ended 31 December 2012 ("FY2012"). The Group's Branded Consumer Division produced a strong performance as it further strengthened and developed its presence in all its markets supported by the strong regional consumption. However, the challenging operating environment for the to-be divested Cocoa Ingredients Division, especially in margin compression, together with a US\$27.5 million charge for additional provisions and exceptional charges relating to the planned divestiture of the Division led to a more muted overall result for the Group.

Based on the weighted average number of ordinary shares in issue, earnings per share for FY2012 decreased to 4.25 US cents while net asset value per share as at 31 December 2012 stood at 53.7 US cents.

## SEGMENTAL REVIEW

### Branded Consumer Division

Financial Highlights (US\$ Million)	3 months ended 31 December			12 months ended 31 December		
	4Q 2012	4Q 2011	% Change Y-o-Y	FY2012	FY2011	% Change Y-o-Y
Indonesia	84.6	72.9	▲16.0	353.3	304.8	▲15.9
The Regional Markets	35.3	28.6	▲23.5	124.4	115.0	▲8.1
<b>Total Branded Consumer Revenue</b>	<b>119.9</b>	<b>101.5</b>	<b>▲18.1</b>	<b>477.7</b>	<b>419.8</b>	<b>▲13.8</b>
Gross Profit Margin (%)	31.5%	32.2%	▼1.7% pt	31.9%	30.6%	▲1.3% pt
EBITDA	23.1	19.5	▲18.3	84.8	63.8	▲32.9

With its key strategies of strengthening and further developing its presence in all key markets, the Branded Consumer Division achieved excellent performance in both Indonesia and the regional markets, resulting in a 13.8% Y-o-Y growth in revenue and a 32.9% Y-o-Y increase in EBITDA. The key drivers fuelling this growth were the vibrant consumption environment in the Group's key markets; strong gains from the 34 new products launched during FY2012 and also the Group's expanded distribution network which boosted Own Brands sales by 16.7% Y-o-Y.

One of the Group's key markets, Indonesia, registered revenue growth of 15.9% Y-o-Y to US\$353.3 million, principally due to the strong sales performance of its premium products in the Group's Own Brands segment. Indonesia's robust consumption demand, coupled with the Group's scaled-up distribution efforts and infrastructure, have contributed towards the growth in Petra Foods' performance in Indonesia.

The Regional Markets - comprising the Philippines, Malaysia and Singapore - posted 8.1% Y-o-Y revenue growth to US\$124.4 million for FY2012 compared to US\$115 million in the preceding year. The Group's performance in the Philippines was particularly impressive with double digit revenue growth due to aggressive new product launches supported by the expansion of distribution coverage and higher levels of investments in brand development programmes.

## Cocoa Ingredients Division (to-be divested)

Financial Highlights (US\$ Million)	3 months ended 31 December			12 months ended 31 December		
	4Q 2012	4Q 2011	% Change Y-o-Y	FY 2012	FY 2011	% Change Y-o-Y
EBITDA	(12.2)	15.8	NM	23.1	65.8	▼64.9
EBITDA/mt in US\$	(180)	242	NM	90	248	▼63.6
EBITDA/mt in US\$ (excluding inventories write-down and provision)	81	242	▼66.6	160	248	▼35.7
Sales volume (mt)	67,942	65,359	▼4.0	255,872	265,053	▼3.5

During the course of the year, Petra Foods received several offers to acquire its Cocoa Ingredients business and it was after a comprehensive evaluation process and long deliberation period that the Board approved the Conditional Agreement with Barry Callebaut for the Proposed Divestment of the business. The SPA was signed on 12 December 2012 for total consideration of US\$950 million, subject to adjustments at completion.

In arriving at the strategic rationale for the Divestment, the Board of Petra Foods took into consideration: (1) the significant investments (from a capital as well as human resource standpoint) required if the Group were to continue growing the business organically; and (2) the higher returns and lower risks through re-deploying the capital in its Branded Consumer Division.

For FY2012, EBITDA decreased 64.9% Y-o-Y to US\$23.1 million due to the continued deteriorating negative pressures affecting all global cocoa ingredients suppliers. Also, the Group is recognising an exceptional charge totalling US\$14 million net of tax in this financial year, owing to the Proposed Divestment of the Division.

### Business Prospects

Commenting on the year's performance, Petra Foods' Chief Executive Officer, Mr John Chuang said, "With the proposed divestment of the Cocoa Ingredients business, this will be a significant change for Petra Foods. We will now be able to focus exclusively on growing our Branded Consumer business where the combined strengths of our market leading Brands, product innovation and distribution together with the growing regional markets will drive the growth."

As the South East Asia remains a fast growing region for chocolate confectionery market with rising affluence of the young population, the Group's strategic focus will be on driving growth and profitability in this region which we already have first-mover advantage. New product launches and brand building efforts will be key to tapping on these rising opportunities. Barring any unforeseen circumstances, the Group expects FY2013 to be another year of growth for the Group's Branded Consumer Division.

**Final Dividend**

The directors have proposed a final dividend of 1.86 US cents per share subject to shareholders' approval at the Annual General Meeting on 30 April 2013. If approved, the dividend will be paid on 21 May 2013.

Inclusive of the interim dividend of 2.11 US cents, shareholders would receive a total dividend of 3.97 US cents in respect of FY2012.

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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.

Petra Foods won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006 at the Singapore Corporate Awards. 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. In

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

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