

**Petra Foods Limited**  
**Unaudited Financial Statements and Dividend Announcement**  
**For the 4<sup>th</sup> Quarter and Full Year Ended 31 December 2012**

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**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.**

On 12 December 2012, the Company announced that it entered into a conditional sale and purchase agreement with Barry Callebaut AG and Barry Callebaut Belgium N.V (collectively, "Barry Callebaut") for the sale of the Cocoa Ingredients Division.

Completion of the Proposed Divestment is expected in June or July 2013 and until then, the financial results of the Cocoa Ingredients Division will continue to be consolidated as part of the Group's results. The format of presentation of the Group's results will, however, change with the to-be divested Cocoa Ingredients Division now classified as a 'Discontinued operation' in compliance with "FRS105 - Non-current Assets Held for Sale and Discontinued Operations". References to the to-be divested Cocoa Ingredients Division will be presented as a separate line in the financial statement of the Group under "Discontinued operations" and/or "disposal group classified as held-for-sale". The remaining Branded Consumer Division will be classified as 'Continuing operations' in the presentation format.

**(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			Group		
		4Q ended 31 December			Full Year ended 31 December		
		2012	2011	Change	2012	2011	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Continuing operations<sup>a</sup></b>							
Revenue	1	119,910	101,521	18.1	477,694	419,831	13.8
Cost of Sales		(82,147)	(67,832)	21.1	(325,265)	(291,425)	11.6
<b>Gross Profit</b>		<b>37,763</b>	33,689	12.1	<b>152,429</b>	128,406	18.7
Other operating income		133	290	(54.1)	970	1,548	(37.3)
Selling and distribution costs		(13,176)	(13,324)	(1.1)	(61,097)	(60,077)	1.7
Administrative expenses		(3,797)	(2,787)	36.2	(14,437)	(12,084)	19.5
Finance costs		(303)	(266)	13.9	(1,372)	(1,864)	(26.4)
Other operating expenses		(75)	(225)	(66.7)	(806)	(1,793)	(55.0)
		20,545	17,377	18.2	75,687	54,136	39.8
Share of results of associated companies and joint venture		229	116	97.4	384	626	(38.7)
<b>Profit before tax</b>		<b>20,774</b>	17,493	18.8	<b>76,071</b>	54,762	38.9
Income tax expense		(6,038)	(4,147)	45.6	(21,619)	(15,530)	39.2
<b>Profit from continuing operations</b>	3	<b>14,736</b>	13,346	10.4	<b>54,452</b>	39,232	38.8
<b>Discontinued operations<sup>a</sup></b>							
(Loss)/profit from discontinued operations after tax before exceptional items	2	(17,408)	4,902	NM	(14,592)	21,229	NM
Exceptional items, net of tax		(14,034)	-	NM	(14,034)	-	NM
<b>Loss)/profit from discontinued operations</b>		<b>(31,442)</b>	4,902	NM	<b>(28,626)</b>	21,229	NM
<b>Total Profit</b>		<b>(16,706)</b>	<b>18,248</b>	NM	<b>25,826</b>	60,461	(57.3)
<b>Profit/(loss) attributable to:</b>							
Equity holders of the Company							
- From continuing operations		14,746	13,522	9.1	54,565	39,357	38.6
- From discontinued operations		(31,442)	4,902	NM	(28,626)	21,229	NM
		(16,696)	18,424	NM	25,939	60,586	(57.2)
Non-controlling interest							
- From continuing operations		(10)	(176)	(94.3)	(113)	(125)	(9.6)
		(16,706)	18,248	NM	25,826	60,461	(57.3)

a. "Continuing operations" refers to the Branded Consumer Division while the Cocoa Ingredients Division, as a result of the proposed divestment, is classified as "Discontinued operations" (see Note 2).

	Group			Group		
	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	%	2012	2011	%
	Notes					
<b>EBITDA (US\$'000)</b>	4					
- From continuing operations	<b>23,066</b>	19,504	18.3	<b>84,783</b>	63,804	32.9
- From discontinued operations	<b>(12,226)</b>	15,831	NM	<b>23,116</b>	65,767	(64.9)
<b>Total</b>	<b>10,840</b>	35,335	(69.3)	<b>107,899</b>	129,571	(16.7)
<b>Earnings per share (US cents)</b>						
<b>Basic and Diluted<sup>a</sup></b>	5					
- From continuing operations	<b>2.41</b>	2.21	9.1	<b>8.93</b>	6.44	38.6
- From discontinued operations	<b>(5.14)</b>	0.80	NM	<b>(4.68)</b>	3.47	NM
<b>Total</b>	<b>(2.73)</b>	3.01	NM	<b>4.25</b>	9.91	(57.2)
<b>Return on equity</b>						
- Group				<b>8.3%</b>	20.5%	(12.2 pt)
- Branded Consumer <sup>b</sup> (continuing operations)				<b>17.5%</b>	13.3%	4.2 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. Computed based on the Net Profit of Branded Consumer divided by average Group shareholders' equity

## Explanatory notes on income statement

### **Note 1 - Revenue of Branded Consumer**

Information below relates to the market in which the Group operates in.

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Indonesia	<b>84,626</b>	72,954	16.0	<b>353,329</b>	304,763	15.9
Regional markets	<b>35,284</b>	28,567	23.5	<b>124,365</b>	115,068	8.1
	<b>119,910</b>	101,521	18.1	<b>477,694</b>	419,831	13.8

## Note 2 - Discontinued operations and disposal group classified as held-for-sale

On 12 December 2012, the Company announced that it entered into a conditional sale and purchase agreement with Barry Callebaut AG and Barry Callebaut Belgium N.V (collectively, "Barry Callebaut") for the sale of the Cocoa Ingredients Division. As a result, the Cocoa Ingredients Division of the Group is now classified as a "discontinued operation" under "FRS 105 - Non-current Assets Held for Sale and Discontinued Operations". A discontinued operation is a separate major line of the Group's business that meets the criteria for classification as held-for-sale. In accordance with FRS 105, the entire result of the Cocoa Ingredients Division is required to be presented separately on the statement of comprehensive income as "Discontinued Operations". Upon reclassification as held-for-sale, non-current assets of the Cocoa Ingredients business are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell.

### Performance of to-be divested Cocoa Ingredients Division

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue	<b>251,337</b>	302,658	(17.0)	<b>1,029,422</b>	1,276,321	(19.3)
Expenses (Note a)	<b>(263,374)</b>	(290,726)	(9.4)	<b>(1,019,218)</b>	(1,226,882)	(16.9)
Operating profit	<b>(12,037)</b>	11,932	NM	<b>10,204</b>	49,439	(79.4)
Finance costs	<b>(7,717)</b>	(6,065)	27.2	<b>(28,293)</b>	(25,516)	10.9
(Loss)/profit before exceptional items and before tax	<b>(19,754)</b>	5,867	NM	<b>(18,089)</b>	23,923	NM
Exceptional items (Note b)	<b>(13,332)</b>	-	NM	<b>(13,332)</b>	-	NM
(Loss)/profit before income tax	<b>(33,086)</b>	5,867	NM	<b>(31,421)</b>	23,923	NM
Income tax (Note c)	<b>1,644</b>	(965)	NM	<b>2,795</b>	(2,694)	NM
Total (loss)/profit	<b>(31,442)</b>	4,902	NM	<b>(28,626)</b>	21,229	NM

- (a) The results of the Cocoa Ingredients Division were impacted by the significant headwinds faced by the global cocoa ingredients industry which resulted in margin compression during the course of the year. In addition, the 4Q 2012 results were impacted by inventories provision and write-down of US\$13.5 million (net of tax) to net realizable value.

(b) Exceptional items comprise the following:

	<b>4Q and FY2012</b>
	<u>US\$'000</u>
Accelerated fair value loss on interest rate derivatives	8,217
Accelerated amortisation of upfront fee on borrowings	1,739
Professional fees incurred	1,185
Provisions and restructuring costs	2,191
Total	<u>13,332</u>
Tax on exceptional items	(1,832)
Deferred tax charge (Note c)	<u>2,534</u>
Exceptional items (net of tax)	<u>14,034</u>

The proposed divestment of the Cocoa Ingredients Division has resulted in the above additional provision and exceptional charges in 4Q and FY2012 although the transaction is not expected to be completed until June 2013. In compliance with FRS 39, the Company and the Group have recognised immediately the net cumulative fair value loss on interest rate derivatives which were entered into to manage the interest rate risk for its floating rate borrowings as the Company intends to utilise the net proceeds on completion of divestment to substantially reduce all these debt facilities. In addition, the Company has accelerated the amortisation of upfront fee incurred on its Medium Term Notes and Europe's multi-currency revolving facilities.

(c) Income Tax Expense

One of the subsidiaries in Europe de-recognised deferred tax assets of US\$2.5 million in 4Q12 as the tax credit will not be carried forward upon completion of divestment.

### Note 3 - Net Profit

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

	<b>4Q ended 31 December</b>			<b>Full Year ended 31 December</b>		
	<b>2012</b>	2011	Change	<b>2012</b>	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Depreciation of property, plant and equipment *	<b>(1,906)</b>	<b>(1,750)</b>	8.9	<b>(7,323)</b>	(7,299)	0.3
Amortisation of intangible assets*	<b>(40)</b>	-	NM	<b>(89)</b>	(4)	NM
Net foreign exchange loss*	<b>(85)</b>	<b>(667)</b>	(87.3)	<b>(778)</b>	(542)	43.5
Group over/(under) provision of tax in prior years	<b>9</b>	<b>277</b>	(96.8)	<b>(697)</b>	(1,579)	(55.9)
Gain on disposal of property, plant and equipment*	<b>68</b>	<b>78</b>	(12.8)	<b>260</b>	224	16.1
(Impairment loss)/writeback on trade receivables*	<b>(21)</b>	<b>22</b>	NM	<b>(108)</b>	11	NM
Inventories written off*	<b>(114)</b>	<b>(910)</b>	(87.5)	<b>(341)</b>	(1,862)	(81.7)
Allowance made for inventory obsolescence*	<b>(183)</b>	<b>(514)</b>	(64.4)	<b>(941)</b>	(1,816)	(48.2)

\*Relating to only the Branded Consumer Division

## Note 4 - EBITDA

### Continuing Operations - Branded Consumer Division

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Profit before tax	<b>20,774</b>	17,493	18.8	<b>76,071</b>	54,762	38.9
<u>Add back:</u>						
Interest expense	<b>302</b>	270	11.9	<b>1,369</b>	1,867	(26.7)
Interest income	<b>44</b>	(9)	NM	<b>(69)</b>	(128)	(46.1)
Depreciation and impairment of property, plant and equipment	<b>1,906</b>	1,750	8.9	<b>7,323</b>	7,299	0.3
Amortisation of intangible assets	<b>40</b>	-	NM	<b>89</b>	4	NM
<b>EBITDA</b>	<b>23,066</b>	19,504	18.3	<b>84,783</b>	63,804	32.9

### Discontinued Operations - Cocoa Ingredients Division

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
(Loss)/profit before tax	<b>(33,086)</b>	5,867	NM	<b>(31,421)</b>	23,923	NM
<u>Add back:</u>						
Interest expense	<b>7,719</b>	6,062	27.3	<b>28,297</b>	25,513	10.9
Fair value gain on interest rate derivatives	<b>(167)</b>	(236)	(29.2)	<b>(604)</b>	(554)	9.0
Exceptional items	<b>13,332</b>	-	NM	<b>13,332</b>	-	NM
Interest income	<b>(24)</b>	(55)	(56.4)	<b>(106)</b>	(112)	(5.4)
Depreciation and impairment of property, plant and equipment	-	4,084	NM	<b>13,371</b>	16,570	(19.3)
Amortisation of intangible assets	-	109	NM	<b>247</b>	427	(42.2)
<b>EBITDA</b>	<b>(12,226)</b>	15,831	NM	<b>23,116</b>	65,767	(64.9)

## Note 5 - Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Branded Consumer		Cocoa Ingredients		The Group	
	2012	2011	2012	2011	2012	2011
Net profit attributable to equity holders of the Company (US\$'000)	<b>54,565</b>	39,357	<b>(28,626)</b>	21,229	<b>25,939</b>	60,586
Weighted average number of ordinary shares ('000)	<b>611,157</b>	611,157	<b>611,157</b>	611,157	<b>611,157</b>	611,157
Basic earnings per share (US cents)	<b>8.93</b>	6.44	<b>(4.68)</b>	3.47	<b>4.25</b>	9.91

**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.**

	Notes	Group		Company	
		31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		33,040	19,091	5,978	10,276
Derivative assets		3,721	11,818	3,719	10,423
Trade receivables		67,515	162,499	260,231	247,011
Inventories	1,2	61,393	477,885	96	9,433
Tax recoverable		9,577	10,292	-	661
Other current assets		13,058	33,838	131,542	12,208
		<b>188,304</b>	<b>715,423</b>	<b>401,566</b>	<b>290,012</b>
Disposal group classified as held-for-sale	2	941,355	-	139,401	-
		<b>1,129,659</b>	<b>715,423</b>	<b>540,967</b>	<b>290,012</b>
<b>Non-current assets</b>					
Investments in subsidiaries	2,3	-	-	44,591	145,356
Investments in associated companies and joint venture	4	3,678	3,348	3,140	3,000
Receivables from subsidiaries		-	-	-	88,417
Loans to associated company		3,059	2,531	336	-
Property, plant and equipment	2	78,360	280,361	2,040	2,270
Intangibles assets		4,884	20,958	1,784	1,784
Deferred income tax assets		-	23,896	-	581
Other non-current assets		130	728	-	5
		<b>90,111</b>	<b>331,822</b>	<b>51,891</b>	<b>241,413</b>
<b>Total Assets</b>		<b>1,219,770</b>	<b>1,047,245</b>	<b>592,858</b>	<b>531,425</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		34,126	136,563	17,894	74,894
Other payables		38,903	59,000	10,603	19,001
Current income tax liabilities		6,222	3,855	-	1,349
Derivative liabilities		8,023	13,082	8,023	10,770
Borrowings	6	424,844	374,405	302,728	140,259
		<b>512,118</b>	<b>586,905</b>	<b>339,248</b>	<b>246,273</b>
Liabilities directly associated with disposal group classified as held-for-sale	2,6	364,370	-	43,618	-
		<b>876,488</b>	<b>586,905</b>	<b>382,866</b>	<b>246,273</b>
<b>Non-current liabilities</b>					
Borrowings	6	2,100	146,734	522	72,121
Deferred income tax liabilities		4,054	4,900	469	-
Provisions for other liabilities and charges		8,978	11,783	-	-
		<b>15,132</b>	<b>163,417</b>	<b>991</b>	<b>72,121</b>
<b>Total liabilities</b>		<b>891,620</b>	<b>750,322</b>	<b>383,857</b>	<b>318,394</b>
<b>NET ASSETS</b>		<b>328,150</b>	<b>296,923</b>	<b>209,001</b>	<b>213,031</b>
<b>Capital and reserves attributable to the Company's equity holders of the Company</b>					
Share capital		155,951	155,951	155,951	155,951
Foreign currency translation reserve		(11,329)	(6,939)	-	-
Other reserves	7	3,595	(32,217)	3,172	(17,274)
Retained earnings		179,685	179,787	49,878	74,354
		<b>327,902</b>	<b>296,582</b>	<b>209,001</b>	<b>213,031</b>
<b>Non controlling interest</b>		<b>248</b>	<b>341</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>328,150</b>	<b>296,923</b>	<b>209,001</b>	<b>213,031</b>



## Explanatory notes on statement of Financial Position

### Note 1 - Inventories

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

	31 Dec 12	31-Dec-11
	<u>US\$'000</u>	<u>US\$'000</u>
Cocoa Ingredients	535,911	419,688
Branded Consumer	61,393	58,197
	<u>597,304</u>	<u>477,885</u>

#### Cocoa Ingredients Division

Compared to end FY2011, the Division's inventories was higher by US\$116.2 million as the Group further developed its direct cocoa bean sourcing activities in key origin countries such as Indonesia and Brazil. The increase was partly offset by inventories provision and write-down of US\$17.7 million (before tax) to net realisable value. Under FRS 105, the Division's inventories have been classified as "assets held-for-sale" (see Note 2 below).

#### Branded Consumer Division

Despite the strong growth of the business, the Division's inventories were only marginally higher by US\$3.2 million on the back of tighter inventory management.

### Note 2 - Discontinued operations and disposal group classified as held-for-sale

The proposed divestment necessitates a carve-out of the assets and liabilities related to the Cocoa Ingredients Division classified as "disposal group assets or liabilities held-for-sale" on the balance sheet under FRS 105. The Cocoa Ingredients Division is deemed to be "held-for-sale" as its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Immediately before the initial classification of the asset (or disposal group) as "held-for-sale", the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable FRSs. Upon classification as "held-for-sale", non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell.

(a) Details of the assets in disposal group classified as held-for-sale are as follows:

	The Group	Company
	2012	2012
	<u>US\$'000</u>	<u>US\$'000</u>
Investment in Subsidiaries (Note 3)	-	98,598
Property, plant and equipment (Note 5)	237,379	1,138
Intangibles	16,029	-
Deferred tax assets	25,244	-
Other non-current assets	485	-
Cash and cash equivalents	5,705	-
Derivative assets	3,302	1,445
Trade and other receivables	101,110	34,659
Inventories (Note 1)	535,911	1,993
Tax recoverable	102	-
Other current assets	16,088	1,568
	<u>941,355</u>	<u>139,401</u>

**Note 2 - Discontinued operations and disposal group classified as held-for-sale (cont'd)**

- (b) Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:

	The Group	Company
	2012	2012
	<u>US\$'000</u>	<u>US\$'000</u>
Trade and other payables	135,244	40,442
Derivative liabilities	5,112	-
Deferred tax liabilities	1,290	(640)
Other current liabilities	23,346	3,816
Provisions	832	-
Borrowings (Note 6)	197,942	-
Income Tax	604	-
	<u>364,370</u>	<u>43,618</u>

**Note 3 - Investment in Subsidiaries**

On 9 February 2012, the Company incorporated a wholly-owned subsidiary, Delfi Cocoa Investment SA ("DCI SA"), in Switzerland with an issued and paid up capital of Swiss Franc (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 ("DCCI SA") in the Ivory Coast. DCCI SA is held by DCI SA with an issued and paid up capital of Central African Francs (DFC) 215 million (US\$438,000).

On 19 July 2012, the Group set up a wholly owned subsidiary Delfi Cocoa Ecuador SA ("DCE SA") in Ecuador. DCE SA is held by DCI SA and Delfi Cocoa Investment 1 Pte Ltd ("DCI 1"), with an issued and paid up capital of US\$25,000 paid in cash.

The subsidiaries above have been formed as part of our direct bean sourcing activities in origin countries and are currently dormant.

As at 31 December 2012, the Company classified its investments of the following subsidiaries as part of the disposal group held for sale.

- (a) Delfi Cocoa USA Inc;
- (b) Delfi Cocoa Investments 1 Pte Ltd;
- (c) Delfi Cocoa (Malaysia) Sdn Bhd;
- (d) Siam Cocoa Products Co., Ltd; and
- (e) Petra Europe Holdings Pte Ltd.

On 27 September 2012, the Company increased its investment in a wholly owned subsidiary, Delfi Foods Inc ("DFI") by subscribing to 22 million ordinary shares in DFI for a cash consideration of Philippines Peso 22,000,000 (US\$530,000) paid in cash.

**Note 4 - Investment in Joint Venture**

On 27 September 2012, the Company increased its investment in PACTS SA, a joint venture company incorporated in Switzerland by Euro 110,000 (US\$140,000) as one of its SEEDS initiatives ("Social Economic Environmental Development for Sustainability"). The company's sustainability program, under SEEDS, currently trains and equips 23,500 farmers in Indonesia, Africa (namely Ivory Coast, Nigeria, West and Central Africa), South America (Brazil) and Vietnam in sustainable practices, helping to secure the cocoa supply chain to ensure quality and traceability.

**Note 5 - Capital Expenditure on Property, Plant and Equipment**

	4Q ended 31 December		12 months ended 31 December	
	2012	2011	2012	2011
	US\$'000	US\$'000	US\$'000	US\$'000
Cocoa Ingredients	7,438	11,724	39,065	44,293
Branded Consumer	6,356	2,107	18,728	10,706
	<b>13,794</b>	<b>13,831</b>	<b>57,793</b>	<b>54,999</b>

The lower capital expenditure for the Cocoa Ingredients Division reflected our strategic decision, in light of the industry headwinds, to limit capital expenditure to only the most critical and immediately income generating areas, while for the continuing Branded Consumer Division, the higher capital expenditure was to support the growth momentum of the business.

As at 31 December 2012, property, plant and equipment of US\$237.4 million and US\$1.1 million of the Group and Company associated with the Cocoa Ingredients Division have been classified as "disposal group held-for-sale".

**Note 6 - Borrowings**

	Group		Company	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	US\$'000	US\$'000	US\$'000	US\$'000
Bank overdraft	15,627	15,143	2	-
Bank borrowings	99,792	59,167	39,002	1,533
MTN	165,336	117,279	165,336	117,279
Finance lease liabilities	4,096	2,531	727	631
Trade finance and short term advances	340,035	327,019	98,183	92,937
	<b>624,886</b>	<b>521,139</b>	<b>303,250</b>	<b>212,380</b>
Reclassified as liabilities held for sale (Note a)	<b>(197,942)</b>	-	-	-
	<b>426,944</b>	<b>521,139</b>	<b>303,250</b>	<b>212,380</b>
Breakdown of borrowings:				
Current (Note b)	593,379	374,405	302,728	140,259
Non current	31,507	146,734	522	72,121
	<b>624,886</b>	<b>521,139</b>	<b>303,250</b>	<b>212,380</b>

During FY2012, the Group raised the following additional borrowings:

- (1) S\$110 million (US\$87.9 million equivalent) of Medium Term Notes (MTN);
- (2) US\$76.4 million of Term Loans; and
- (3) US\$15.4 million of longer tenor trade finance in Brazil.

The proceeds raised were mainly utilized to fund higher inventories (please refer to "Note 1 - Inventories" on Page 9) and repay the Group's MTN and Term Loans due (see Para 1(c) - Cash flow from financing activities and note on consolidated cash and cash equivalents).

- (a) As at the balance sheet date, borrowings of subsidiaries under the proposed divestment of the Cocoa Ingredients Division (Note 3) are classified as "liabilities held-for-sale" (Note 2).
- (b) Borrowings of the Group and the Company (including MTN and long term trade finance) used to fund the Cocoa Ingredients business are also presented as current liabilities as these debt facilities will be repaid through the net proceeds delivered from the proposed divestment.

Of the borrowings of US\$426.9 million at end December 2012, it is anticipated that only US\$34.1 million will remain after the repayment of the debt facilities pertaining to the to-be divested Cocoa Ingredients Division.

## Note 7 - Other Reserves

	2012	2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash flow hedge reserve	1,705	(33,881)	35,586
Capital reserve	1,890	1,664	226
	<u>3,595</u>	<u>(32,217)</u>	<u>35,812</u>

### 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.

As at 31 December 2012, the cash flow hedge reserve was a gain of US\$1.7 million compared to a loss of US\$33.9 million last year end due to:-

- (1) Derivatives losses in cash flow hedge reserve as at 31 December 2011 was recognised in profit and loss during the year with the delivery of the physical trades outstanding as at 31 December 2011; and
- (2) Immediate recognition of net cumulative fair value loss on interest rate derivatives which are entered into to manage the interest rate risk related to its floating rate borrowings as the Company intends to utilise the net proceeds from its divestment of the Cocoa Ingredients business to substantially reduce all these debt facilities (see Para 1(a)(i) Note 2(b)).

### Capital Reserve

This relates to the non-distributable profit set aside by the subsidiaries in France, Indonesia and Thailand under their local laws.

## Note 8 - Key Ratios

	31-Dec-12	31-Dec-11
<b><u>Group</u></b>		
Current Ratio	1.29	1.22
Net Debt to Equity	1.79	1.69
Adjusted Net Debt to Equity <sup>a</sup>	0.51	0.48
<b><u>Branded Consumer Division</u></b>		
Average Inventory Days	67	76
Average Receivable Days	46	46

Note:

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

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-12</b>	31-Dec-11	<b>31-Dec-12</b>	31-Dec-11
	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Amount repayable in one year or less, or on demand				
- Secured	<b>160,208</b>	128,423	<b>205</b>	161
- Unsecured	<b>433,171</b>	245,982	<b>302,523</b>	140,098
	<b>593,379</b>	374,405	<b>302,728</b>	140,259
Amount repayable after one year				
- Secured	<b>31,507</b>	64,486	<b>522</b>	470
- Unsecured	-	82,248	-	71,651
	<b>31,507</b>	146,734	<b>522</b>	72,121

**Details of collateral**

Of the Group's total bank borrowings, US\$191.7 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.**

	Full Year	
	31-Dec-12	31-Dec-11
Note	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	44,650	78,685
Adjustments:		
Depreciation, impairment and amortisation	21,030	24,300
Property, plant and equipment written off	195	774
Gain on disposal of property, plant and equipment	(336)	(387)
Interest income	(176)	(240)
Interest expense	29,665	27,380
Fair value loss/(gain) of derivatives	12,045	(5,080)
Share of gain from associated companies	(384)	(361)
Operating cash flow before working capital changes	106,689	125,071
Change in working capital		
Inventories	(119,419)	13,477
Trade and other receivables	17,653	8,736
Trade and other payables	47,553	(23,467)
Cash generated from operations	52,476	123,817
Interest received	176	240
Income tax paid	(22,152)	(22,333)
<b>Net cash provided by operating activities</b>	<b>30,500</b>	<b>101,724</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(53,590)	(52,355)
Investment in joint venture	(140)	-
Non-controlling interest contribution in subsidiary	-	466
Payments for patents & trademarks	(115)	(77)
Proceeds from disposals of property, plant and equipment	437	659
<b>Net cash used in investing activities</b>	<b>(53,408)</b>	<b>(51,307)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	76,362	13,474
Proceeds from trade finance and short term advances	13,016	17,133
Proceeds from issuance of Medium Term Notes	87,931	50,922
Repayments of term loans	(37,530)	(45,520)
Repayments of Medium Term Notes	(39,139)	(26,019)
Repayment of lease liabilities	(2,669)	(1,750)
Interest paid	(29,665)	(27,380)
Dividend paid to equity holders of company	(25,815)	(21,786)
<b>Net cash provided by/(used in) financing activities</b>	<b>42,491</b>	<b>(40,926)</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,583</b>	<b>9,491</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	3,948	(4,633)
Effects of currency translation on cash and cash equivalents	(413)	(910)
<b>End of financial year</b>	<b>23,118</b>	<b>3,948</b>

Note

- 1 The amount excludes additions of property, plant and equipment of US\$4,203,000 (FY2011: US\$2,644,000) that were financed by lease liabilities.

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

	Full Year ended	
	31-Dec-12	31-Dec-11
	<u>US\$'000</u>	<u>US\$'000</u>
Cash and bank balances	38,745	19,091
Less: Bank overdrafts	(15,627)	(15,143)
	<u>23,118</u>	<u>3,948</u>

In the consolidated statement of cash flows, the operating cash flows of the to-be divested Cocoa Ingredients Division has been aggregated with those of the continuing operations of the Branded Consumer Division. The impact of the to-be divested Cocoa Ingredients Division on the cash flows of the Group is as follows:

	31-Dec-12	31-Dec-11
	<u>US\$'000</u>	<u>US\$'000</u>
Operating cash (outflows)/inflows	(39,987)	47,224
Investing cash outflows	(38,642)	(43,735)
Financing cash inflows/(outflows)	73,718	(653)
Total cash (outflows)/inflows	<u>(4,911)</u>	<u>2,836</u>

### Consolidated Statement of Comprehensive Income

	4Q ended 31 December		Full Year ended 31 December	
	2012	2011	2012	2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>(Loss)/profit for the period</b>	<u>(16,706)</u>	<u>18,248</u>	<u>25,826</u>	<u>60,461</u>
<b>Other comprehensive income:</b>				
Cash flow hedges:				
- Fair value gains/(losses)	12,836	(21,608)	17,969	(48,430)
- Transfer to profit or loss	17,811	1,300	24,534	11,057
- Tax on fair value adjustments	(3,679)	3,284	(6,917)	6,030
	<u>26,968</u>	<u>(17,024)</u>	<u>35,586</u>	<u>(31,343)</u>
Currency translation differences arising from consolidation	(149)	(6,525)	(4,370)	(4,986)
Other comprehensive income/(expense), net of tax	<u>26,819</u>	<u>(23,549)</u>	<u>31,216</u>	<u>(36,329)</u>
<b>Total comprehensive income/(expense) for the period</b>	<u>10,113</u>	<u>(5,301)</u>	<u>57,042</u>	<u>24,132</u>
<b>Total comprehensive income/(expense) attributable to:</b>				
Equity holders of the Company	10,122	(5,131)	57,135	24,268
Non-controlling interest	(9)	(170)	(93)	(136)
	<u>10,113</u>	<u>(5,301)</u>	<u>57,042</u>	<u>24,132</u>

**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**

	<u>Attributable to equity holders of the Company</u>							
	<u>Share capital</u>	<u>Foreign Currency translation reserve</u>	<u>Cash flow hedge reserve</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Minority interest</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>The Group</b>								
<b>Balance at 1 January 2012</b>	155,951	(6,939)	(33,881)	1,664	179,787	296,582	341	296,923
Total comprehensive income for the period	-	(4,240)	8,618	-	42,635	47,013	(84)	46,929
Final dividend relating to 2011	-	-	-	-	(12,956)	(12,956)	-	(12,956)
Interim dividend relating to 2012	-	-	-	-	(12,859)	(12,859)	-	(12,859)
<b>Balance at 30 September 2012</b>	<b>155,951</b>	<b>(11,179)</b>	<b>(25,263)</b>	<b>1,664</b>	<b>196,607</b>	<b>317,780</b>	<b>257</b>	<b>318,037</b>
<b>At 1 October 2012</b>	155,951	(11,179)	(25,263)	1,664	196,607	317,780	257	318,037
Total comprehensive (expense)/income for the quarter	-	(150)	26,968	-	(16,696)	10,122	(9)	10,113
Transfer to general reserve	-	-	-	226	(226)	-	-	-
<b>At 31 December 2012</b>	<b>155,951</b>	<b>(11,329)</b>	<b>1,705</b>	<b>1,890</b>	<b>179,685</b>	<b>327,902</b>	<b>248</b>	<b>328,150</b>
<b>The Group</b>								
<b>Balance at 1 January 2011</b>	155,951	(1,962)	(2,538)	1,423	141,228	294,102	-	294,102
Total comprehensive income for the period	-	1,554	(14,319)	-	42,162	29,397	36	29,433
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	475	475
Final dividend relating to 2010	-	-	-	-	(10,512)	(10,512)	-	(10,512)
Interim dividend relating to 2011	-	-	-	-	(11,274)	(11,274)	-	(11,274)
<b>Balance at 30 September 2011</b>	<b>155,951</b>	<b>(408)</b>	<b>(16,857)</b>	<b>1,423</b>	<b>161,604</b>	<b>301,713</b>	<b>511</b>	<b>302,224</b>
<b>At 1 October 2011</b>	155,951	(408)	(16,857)	1,423	161,604	301,713	511	302,224
Total comprehensive (expense)/income for the quarter	-	(6,531)	(17,024)	-	18,424	(5,131)	(170)	(5,301)
Transfer to general reserve	-	-	-	241	(241)	-	-	-
<b>At 31 December 2011</b>	<b>155,951</b>	<b>(6,939)</b>	<b>(33,881)</b>	<b>1,664</b>	<b>179,787</b>	<b>296,582</b>	<b>341</b>	<b>296,923</b>



**Statement of Changes in Equity for the Company**

	<u>Attributable to equity holders of the Company</u>			
	<u>Share capital</u>	<u>Cash flow hedge reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b><u>The Company</u></b>				
<b>Balance at 1 January 2012</b>	155,951	(17,274)	74,354	213,031
Total comprehensive income for the period	-	3,185	12,583	15,768
Final dividend relating to 2011	-	-	(12,956)	(12,956)
Interim dividend relating to 2012	-	-	(12,859)	(12,859)
<b>Balance at 30 September 2012</b>	<b>155,951</b>	<b>(14,089)</b>	<b>61,122</b>	<b>202,984</b>
<b>At 1 October 2012</b>	155,951	(14,089)	61,122	202,984
Total comprehensive income/(expense) for the quarter	-	17,261	(11,244)	6,017
<b>At 31 December 2012</b>	<b>155,951</b>	<b>3,172</b>	<b>49,878</b>	<b>209,001</b>
<b><u>The Company</u></b>				
<b>Balance at 1 January 2011</b>	155,951	(227)	59,443	215,167
Total comprehensive income for the period	-	(7,243)	17,998	10,755
Final dividend relating to 2010	-	-	(10,512)	(10,512)
Interim dividend relating to 2011	-	-	(11,274)	(11,274)
<b>Balance at 30 September 2011</b>	<b>155,951</b>	<b>(7,470)</b>	<b>55,655</b>	<b>204,136</b>
<b>At 1 October 2011</b>	155,951	(7,470)	55,655	204,136
Total comprehensive (expense)/income for the quarter	-	(9,804)	18,699	8,895
<b>At 31 December 2011</b>	<b>155,951</b>	<b>(17,274)</b>	<b>74,354</b>	<b>213,031</b>

**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 4Q and the 12 months ended 31 December 2012, there was no change in the issued and paid up share capital of the Company.

There were no options granted or shares issued pursuant to the Petra Foods' Share Option Scheme and Share Incentive Plan.

On 16 June 2010, the Company issued 78,880,000 ordinary shares for a total cash consideration of US\$61,143,000. The cash proceeds provided the Group with financial capacity to pursue strategic growth opportunities and increased its financial resources for current operations. The intention was to use about 50% of the net proceeds to pursue strategic alliances, mergers and acquisitions, joint ventures and investments as and when they may arise; and the remaining for working capital and general purposes of the Group. The shares issued in 2010 ranked pari passu in all respects with the previously issued shares.

As at balance sheet date, pending utilization of proceeds allocated for strategic alliances, mergers and acquisitions, joint ventures or investments, the Group has utilized all proceeds to reduce bank borrowings.

**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.**

	4Q ended 31 December		Full Year ended 31 December	
	2012	2011	2012	2011
(i) Based on weighted average number of ordinary shares in issue - (US cents)				
- From continuing operations	2.41	2.21	8.93	6.44
- From discontinued operations	(5.14)	0.80	(4.68)	3.47
Total	(2.73)	3.01	4.25	9.91
(ii) On a fully diluted basis - (US cents)				
- From continuing operations	2.41	2.21	8.93	6.44
- From discontinued operations	(5.14)	0.80	(4.68)	3.47
Total	(2.73)	3.01	4.25	9.91

Notes

- Basic earnings per share is computed based on 611,157,000 shares.
- There are no potentially dilutive ordinary shares as at 31 December 2012 and 31 December 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	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
Net asset value per ordinary share based on issued share capital - (US cents)	53.7	48.5	34.2	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)**

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	Change	2012	2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b><u>Continuing Operations – Branded Consumer</u></b>						
Indonesia	84,626	72,954	16.0	353,329	304,763	15.9
Regional Markets	35,284	28,567	23.5	124,365	115,068	8.1
<b>REVENUE</b>	<b>119,910</b>	<b>101,521</b>	<b>18.1</b>	<b>477,694</b>	<b>419,831</b>	<b>13.8</b>
EBITDA	23,066	19,504	18.3	84,783	63,804	32.9
Profit before tax	20,774	17,493	18.8	76,071	54,762	38.9
<b>Profit from continuing operations attributable to shareholders</b>	<b>14,746</b>	<b>13,522</b>	<b>9.1</b>	<b>54,565</b>	<b>39,357</b>	<b>38.6</b>
<b><u>Discontinued Operations – Cocoa Ingredients</u></b>						
Net (loss)/profit excluding exceptional items	(17,408)	4,902	NM	(14,592)	21,229	NM
Exceptional Items, net of tax	(14,034)	-	NM	(14,034)	-	NM
<b>(Loss)/profit from discontinued operations</b>	<b>(31,442)</b>	<b>4,902</b>	<b>NM</b>	<b>(28,626)</b>	<b>21,229</b>	<b>NM</b>
Net (loss)/profit attributable to shareholders	(16,696)	18,424	NM	25,939	60,586	(57.2)

**Key Performance Indicators**

	4Q ended 31 December			Full Year ended 31 December		
	2012	2011	%	2012	2011	%
<b>Branded Consumer</b>						
Gross profit margin	31.5%	33.2%	(1.7 pt)	31.9%	30.6%	1.3 pt
<b>Cocoa Ingredients (Discontinued Operations)</b>						
Sales Volume (MT)	67,942	65,359	4.0	255,872	265,053	(3.5)
EBITDA/metric ton	(180)	242	NM	90	248	(63.6)
EBITDA/metric ton - excluding inventories write-down and provisions	81	242	(66.6)	160	248	(35.7)

## **Review of the Group's 4Q 2012 and Full Year 2012 Performance**

Over the last 5 years, we have grown the scale of our two businesses significantly where our Branded Consumer is now a dominant regional consumer company while Cocoa Ingredients is a global B2B business. To further enhance shareholders' interests, the Board of Directors is constantly evaluating the Group's long term growth strategy which includes assessing the organic growth opportunities, as well as through value-accretive investments. This is always balanced against the Group's available resources to ensure that our growth strategy is successfully executed.

During the course of the year, the Company received several offers to acquire our 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 our Cocoa Ingredients 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 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 our Branded Consumer Division.

Following the Proposed Divestment, the Company will focus exclusively on growing its Branded Consumer business leveraging on the combined strengths of our market leading brands, product innovation and distribution together with the growing regional markets to drive the continuing growth.

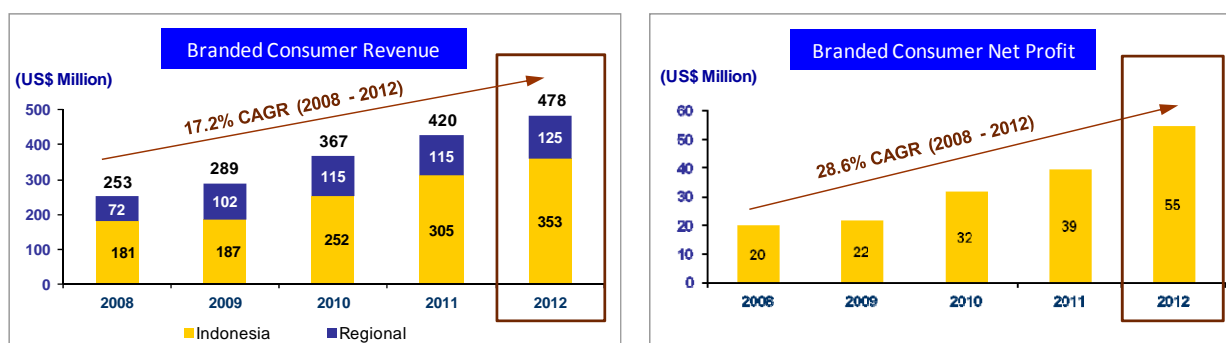
However, until the completion (targeted to be in June or July 2013), the Company is still required to consolidate the financial results of the to-be divested Cocoa Ingredients Division which, as highlighted in the Profit Guidance Statement issued on 6 February 2013 was impacted by the following:-

1. Further deterioration in the negative pressures affecting global cocoa ingredients suppliers resulting in the division incurring an operating loss for 4Q 2012 and for FY2012. In addition to margin compression, the operating results were impacted by a US\$13.5 million inventories provision and write-down, net of tax (as detailed in Note 2(a) in page 5); and
2. The exceptional charges, net of tax totaling US\$14.0 million (as detailed in Note 2(b) in Page 6) which are required to be recognized in the current accounting period even though completion of the Proposed Disposal is not expected until June 2013.

As a result of the above, the Group recorded a net loss of US\$16.7 million in 4Q 2012. Net profit attributable to shareholders is US\$25.9 million for full year 2012, lower Year-on-Year ("Y-o-Y") by 57.2%. The financial performance of the Group in the periods under review, therefore, do not clearly reflect the strong underlying performance of our Branded Consumer Division.

More significantly, our continuing Branded Consumer Division achieved another quarter of strong performance culminating into full year of net profit of US\$54.5 million, representing Y-o-Y growth of 38.6%. The FY2012 performance represented another year of record profitability achieved.

**Branded Consumer Division's Performance (FY2008 - FY2012)**



The strong financial performance of our Branded Consumer Division over 2008 to 2012 had been achieved despite weakness in the global economy, volatile regional currencies as well as volatile input costs during this period.

**Review of the Group's 4Q 2012 and FY2012 Financial Performance by Divisions**

**Branded Consumer Division**

**Key Financial Highlights**

	4Q 2012	4Q 2011	% change	% chg Y-o-Y in
	(US\$ Million)	(US\$ Million)	Year on Year	Constant Exchange Rates*
Indonesia	84.6	72.9	16.0%	24.6%
The Regional Markets	35.3	28.6	23.5%	18.9%
<b>Branded Consumer Revenue</b>	<b>119.9</b>	<b>101.5</b>	<b>18.1%</b>	<b>23.0%</b>
Gross Profit Margin (%)	31.5%	33.2%	- 1.7% pt	-1.7% pt
<b>EBITDA</b>	<b>23.1</b>	<b>19.5</b>	<b>18.3%</b>	<b>27.7%</b>

*Figures may not add due to rounding.*

Note: For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 4Q 2011 in translating the Branded Consumer Division's 4Q 2012 results.

	FY 2012	FY 2011	% change	% chg Y-o-Y in
	(US\$ Million)	(US\$ Million)	Year on Year	Constant Exchange Rates*
Indonesia	353.3	304.8	15.9%	24.0%
The Regional Markets	124.4	115.0	8.1%	7.9%
<b>Branded Consumer Revenue</b>	<b>477.7</b>	<b>419.8</b>	<b>13.8%</b>	<b>19.6%</b>
Gross Profit Margin (%)	31.9%	30.6%	+ 1.3% pt	+1.3 % pt
<b>EBITDA</b>	<b>84.8</b>	<b>63.8</b>	<b>32.9%</b>	<b>42.3%</b>

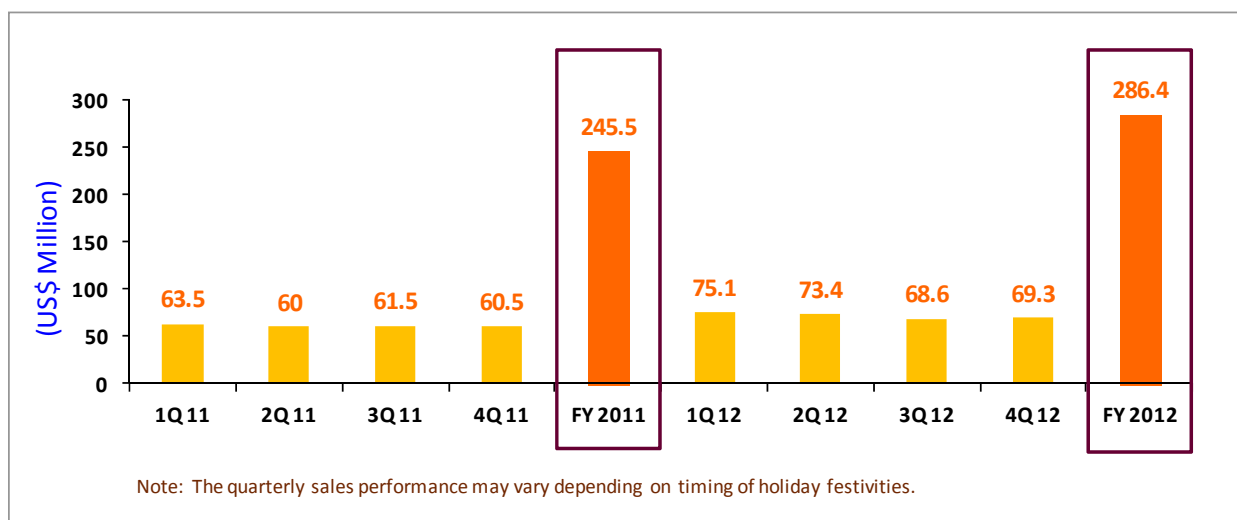
*Figures may not add due to rounding.*

Note: For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in the 12-month period of 2011 in translating the Branded Consumer Division's 12-month 2012 results.

The Branded Consumer Division continued to generate strong performance as it further strengthened and developed its presence in all its markets. The Division produced another record quarter with its continued strong financial performance in 4Q 2012 culminating in FY2012 revenue of US\$477.7 million (representing Y-o-Y growth of 13.8%) and EBITDA of US\$84.8 million (representing Y-o-Y growth of 32.9%), as illustrated in the table on page 22.

It should be highlighted that the apparent slower Y-o-Y revenue growth in FY2012 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 to exclude these discontinued Agency Brands, the underlying growth in the existing business would be shown to have been 23.9% for FY2012.

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

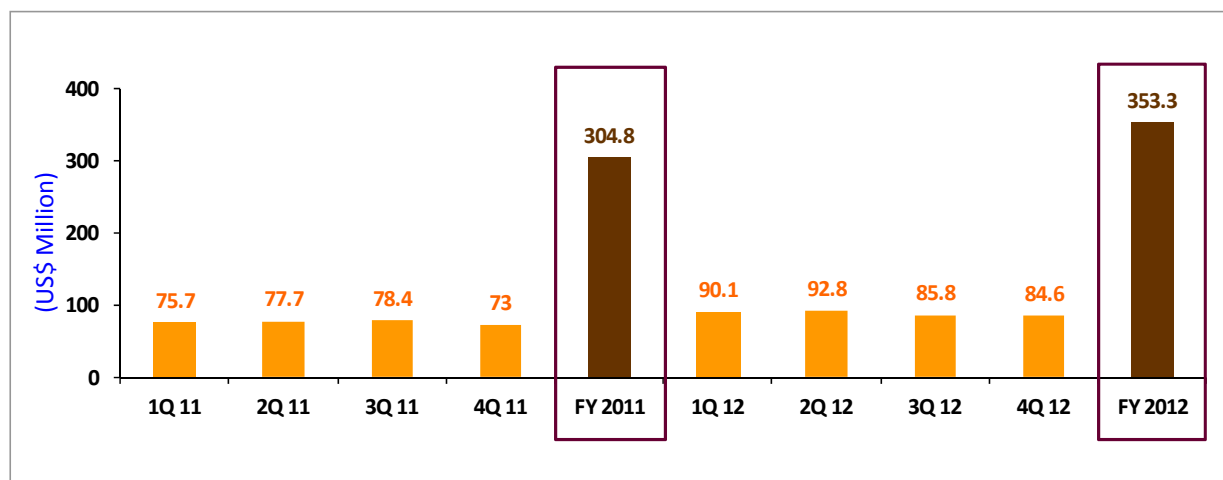


The vibrant consumption in our regional markets together with our successful brand development programmes, strong gains from new products launched (34 new products in total) in the last 12 months and our expanded distribution resulted in our Own Brands sales growing by 14.4% Y-o-Y in 4Q 2012 and 16.7% Y-o-Y for FY2012. In local currency terms, the fundamental growth of our Own Brands was significantly stronger with 4Q 2012 local currency revenue growth of 20.8% and FY2012 growth of 23.5%. This is masked when translated into the Group's US Dollar reporting currency.

## Performance by Markets

- Indonesia**

### *Indonesia's Revenue Performance (Quarterly and Full Year)*



For our Branded Consumer business in Indonesia, the strong double digit revenue growth, especially for sale of Own Brands products in the Premium segment, reflected the vibrant consumption environment and the increased market penetration and the success of our continually widening product portfolio. As a major chocolate confectionery player in Indonesia, we are continually enhancing our dominant brands and aggressively driving demand through our brand development programmes and our innovation pipeline (especially in the Premium segment).

In addition, the increased scale of our distribution infrastructure has played a significant role in supporting the growth of our business. Over the last few years, we have been extending and strengthening our distribution structure by not only broadening the distribution pipeline for the product categories and the product range to be sold, but also to increase the penetration of our existing products to new and existing channels and customer segments.

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

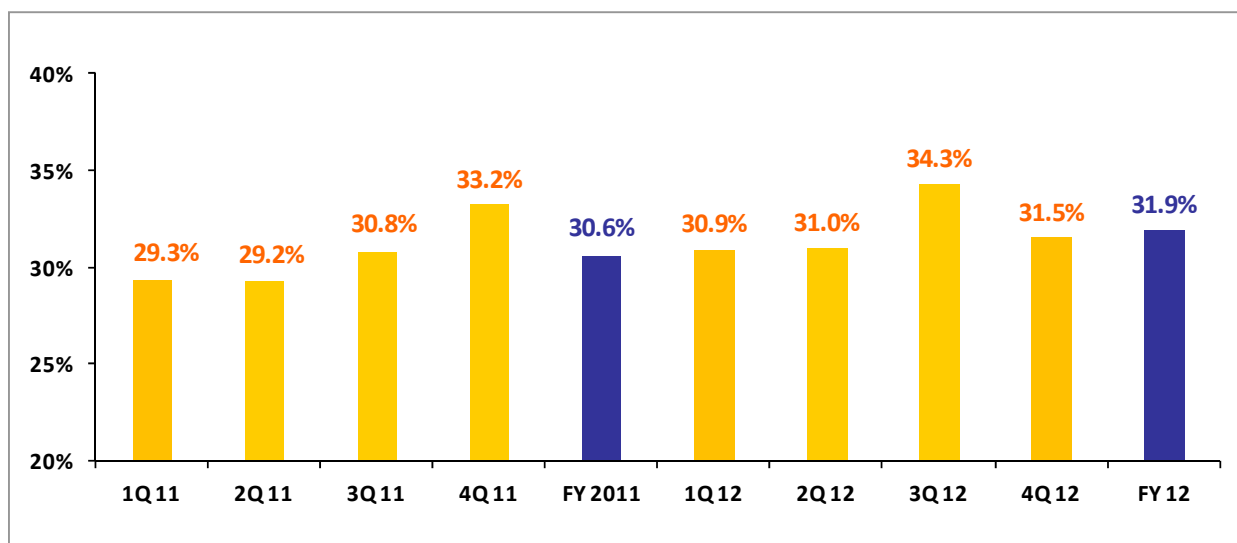
The performance of our Own Brands portfolio in the Philippines was similarly impressive with strong double digit revenue growth achieved. In fact, our Own Brands in the Philippines has achieved significant gain in market share since our acquisition of the business in 2006. This can be attributed to the aggressive new product launches supported by higher levels of investment in brand 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 8.1% revenue growth 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 FY2012 increased by 23.9%.



**Branded Consumer Division's Gross Profit Margin**

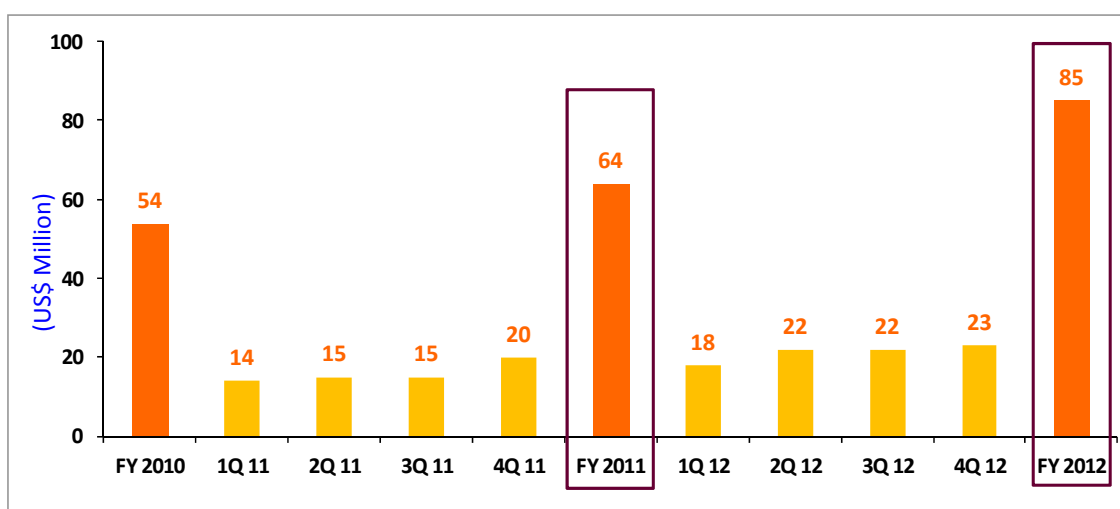
**Gross Profit Margin Trend (Quarterly and Full Year)**



For FY2012, the Branded Consumer Division's Gross Profit Margin of 31.9% (higher Y-o-Y by 1.3% point) was driven mainly by the higher Own Brands margin achieved reflecting the higher proportion of Premium products in the sales mix and the benefit of raw materials locked in at favourable costs. Even in 4Q 2012, Gross Profit Margin for Own Brands continued to improved. It should be highlighted that quarterly margins achieved may vary depending on composition of sales mix, both within Own Brands and mix of Own Brands and Agency Brands.

For Own Brands, our ongoing strategy to tackle higher input costs includes a combination of the following, i.e. pricing adjustment, 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 serves to lock-in favourable forward costs to a major extent thus providing greater cost visibility.

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



## To-be Divested Cocoa Ingredients Division

### **Key Financial Highlights**

	4Q 2012 (US\$ Million)	4Q 2011 (US\$ Million)	% change Year on Year	FY 2012 (US\$ Million)	FY 2011 (US\$ Million)	% change Year on Year
EBITDA	(12.2)	15.8	NM	23.1	65.8	(64.9)
EBITDA/mt in USD	(180)	242	NM	90	248	(63.6)
EBITDA/mt in USD (excluding inventory provisions and write-down)	81	242	(66.6)	160	248	(35.7)
Sales volume (mt)	67,942	65,359	4.0	255,872	265,053	(3.5)

As highlighted, the 4Q 2012 and FY2012 financial performance of the to-be divested Cocoa Ingredients business were impacted by the following factors:-

1. The negative pressures affecting global cocoa ingredients suppliers which have deteriorated further resulting in the division incurring an operating loss for the 4Q 2012 and for FY2012 as a whole; and
2. The exceptional charges (net of tax) totaling 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 2013.

The industry headwinds, as noted in the announcements for the previous quarters, can be attributed to margin compression, especially in the generic segment, as a result of an excess capacity/supply situation at a time of weaker chocolate consumption globally.

However, with the significant headwinds faced by the global cocoa ingredients industry, we expect the losses for to-be divested Cocoa Ingredients Division to worsen in 2013.

### Update on the Proposed Divestment

On the Proposed Divestment, the action plan to completion includes:

- i) Securing anti-trust approvals;
- ii) Completion of assets transfer and operating licenses to a new company in Indonesia; and
- iii) Conducting Extraordinary General Meeting for Petra Foods shareholders to approve the Proposed Divestment

In the 12 December 2012 announcement on the Proposed Divestment, we had provided the financial effects of the transaction assuming that it had been completed on 30 September 2012. Therefore, in order to provide readers with better clarity, we have updated certain key financial data to 31 December 2012.

Assuming the Proposed Divestment had been completed on 31 December 2012, the estimated gain on divestment would have been US\$83.8 million. The net proceeds (after deducting all costs and expenses and allowing for repayment of borrowings) would have been estimated to be US\$282.0 million. To the extent that operating losses are expected to be incurred by the to-be divested Cocoa Ingredient business in 1H2013 and until completion, the net borrowings of the Company will increase to fund these losses. Therefore, the remaining proceeds after repayment of net borrowings and the overall gain from the Proposed Divestment will be reduced accordingly.

## Review of Financial Position and Cash Flow

<b>Balance Sheet as at</b>	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>Change</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Total Assets	<b>1,219,770</b>	1,047,245	<b>172,525</b>
Net Borrowings <sup>1</sup>	<b>586,140</b>	502,048	<b>84,092</b>
Shareholders' Equity	<b>327,902</b>	296,582	<b>31,320</b>

Note:

1 Total Borrowings less cash and cash equivalents.

Shareholders' equity increased by US\$31.3 million due to an increase in gain in cash flow hedge reserve of US\$35.6 million despite payment of the 2011 final and 2012 interim dividends totaling US\$25.8 million (see Para 1(b)(i) Note 7).

Total assets were also higher by US\$172.5 million mainly due to:

1. The US\$119.4 million increase in inventories as the Cocoa Ingredients Division increased its direct sourcing activities for cocoa beans in key origin locations to minimize supply risk, achieve cost savings, and secure higher quality beans (see Para 1(b)(i) Note 1); and
2. Capital expenditure of US\$57.8 million on those areas that were the most critical and immediately income generating (see Para 1(b)(i) Note 5).

The increase was funded through a combination of operating cash flow (before working capital changes) of US\$106.7million and debt facilities (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 31 December 2012 and the adjusted net debt to equity ratio from 0.48 times to 0.51 times.

## Financial Position

In light of the uncertainties 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. A total of US\$179.7 million of long term trade finance, term loans and MTN was raised during 2012 to partly fund its increased investment in locally sourced cocoa inventories and also to refinance its existing MTN and term loans repayment.

However, with the proposed divestment of the Cocoa Ingredients Division, the Company intends to repay substantially all its debts from net proceeds upon completion of the divestment in 2013. Coupled with the Branded Consumer Division's strong cash flow generation, the Group's financial position will be further strengthened placing it in a strong position to seize growth opportunities in the fast growing regional consumer markets.

On 8 February 2013, the Company announced the commencement of a consent solicitation process to seek approval from Noteholders of its MTN in issuance that will allow the Company to redeem the Notes earlier than their maturity dates. This early redemption of the MTN will involve a payment of a redemption premium, estimated total of US\$2.8 million, to the Noteholders.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Please refer to the Group's 3Q and 9M 2012 announcement dated on 8 November 2012 and the more recent Profit Guidance Statement issued on 6 February 2013.

The Group's results for 4Q and FY2012 are in line with the Profit Guidance Statement which stated that "The Company's Branded Consumer business has continued its strong performance in 4Q 2012 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 exceptional charges currently required to be recognized on account of the Proposed Disposal will result in a net loss situation for the Group in 4Q 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 strategic focus is to continue to drive growth and profitability in our key markets, the South East Asian chocolate confectionery market, which is a fast growing region for chocolate confectionery sales. With the vibrant consumption environment in the regional markets in which our Branded Consumer Division operates supported by the strong economies and the fast growing middle income classes, we will continue to capitalize on this strong consumption trend by further extending the market reach of our products. This will be achieved through our brand building initiatives to drive our core portfolio of brands and through new product offering to our consumers, including diversifying into new product categories.

Furthermore, the strategy is to continue driving higher volumes of Own Brands and Agency Brands through our regional distribution pipeline to maximize returns. We are, barring unforeseen circumstances, expecting another year of growth for our Branded Consumer Division in 2013.

For the to-be divested Cocoa Ingredients business, the negative pressures affecting global cocoa ingredients suppliers have deteriorated further which as a consequence, will result in further significant operating losses in 2013. As highlighted, until the completion of the Proposed Divestment, the financial results of the Cocoa Ingredients Division will continue to be consolidated as part of the Group's results. Hence, despite the continued growth expected for our Branded Consumer Division, these losses from the to-be divested Cocoa Ingredients Division will result in a net consolidated loss for the Group, until the Divestment is completed.

Tax recoverable

The Group's tax recoverable relates to amounts previously paid to the Indonesian Tax Authority of IDR 71.9 billion (approximately US\$7.4 million) by one of the Indonesian subsidiaries.

In FY2009, 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. 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 court proceedings ended in September 2010. On 17 October 2012, the Court passed a judgment in favour of the Company. The DGT has refunded the full amount to GFI on 23 January 2013 and to date, the Group has not received any formal notice of appeal by DGT.

## 11. Dividend

### a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	2.63 cents per ordinary share	2.29 cents per ordinary share

### b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on?

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per share (in Singapore cents)	2.23 cents per ordinary share	2.61 cents per ordinary share

### c. Date payable

The directors have proposed a final dividend of 1.86 US cents or 2.29 Singapore cents per share based on the 611,157,000 ordinary shares in issue for the approval of shareholders at the Annual General Meeting on 30 April 2013. If approved, the dividend will be payable on 21 May 2013.

Together with the interim dividend of 2.11 US cents or 2.63 Singapore cents per share paid on 3 September 2012, total 2012 dividends is 3.97 US cents or 4.92 Singapore cents.

### d. Books closure date

Subject to approval of the shareholders to the final dividend at the Annual General Meeting of the Company, the Transfer Books and the Register of Members of the Company will be closed at 5.00 pm on 10 May 2013 (Books Closure Date) for the preparation of dividend warrants.

Duly completed transfers of ordinary shares received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 before 5.00 pm on the Books Closure Date will be registered to determine shareholders' entitlements to the final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (CDP), the final dividend will be paid by the Company to CDP which will, in turn, distribute the final dividend entitlements to the CDP account holders in accordance with its normal practice.

**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:

	<b><sup>1</sup> Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual</b>	
	<b>4Q 2012</b>	<b>Full year 2012</b>
	<u>US\$'000</u>	<u>US\$'000</u>
<b>PT Freyabadi Indotama</b>		
- Sales of goods	3,744	14,681
- Purchase of products	5,198	20,461
	<b>8,942</b>	<b>35,142</b>
<b>PT Tri Keeson Utama</b>		
- Sales of goods	<b>6,786</b>	<b>12,141</b>
<b>PT Fajar Mataram Sedayu</b>		
- Sales of goods	167	886
- Purchase of goods	179	651
	<b>346</b>	<b>1,537</b>
<b>PT Sederhana Djaja</b>		
- Lease of properties	10	58
	<b>16,084</b>	<b>48,878</b>

Note: <sup>1</sup> Aggregate value of all interested person transactions include transactions less than S\$100,000.

**14. Negative confirmation pursuant to Rule 705(5)**

Not applicable as the Company is announcing its Full Year financial statements for FY2012.

**15. Segmental revenue and results**

	<b>Cocoa Ingredients (Discontinued operations)</b>	<b>Branded Consumer</b>	<b>Total</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Period ended 31 December 2012</b>			
<b>Sales:</b>			
- Total segment sales	1,066,450	477,694	
- Inter-segment sales	<u>(37,028)</u>	<u>-</u>	
Sales to external parties	<u>1,029,422</u>	<u>477,694</u>	
 EBITDA	 23,116	 84,783	
 Finance costs	 (28,293)	 (1,372)	
Share of profit of associated companies and joint venture	-	384	
Income tax expense	2,795	(21,619)	
<b>Assets and liabilities</b>			
Segment assets	916,009	265,160	
Associated companies and joint venture	-	3,678	
Unallocated assets	<u>25,346</u>	<u>9,577</u>	
<b>Consolidated total assets</b>	<b><u>941,355</u></b>	<b><u>278,415</u></b>	<b>1,219,770</b>
 Segment liabilities	 164,534	 90,030	
Unallocated liabilities	<u>199,836</u>	<u>437,220</u>	
<b>Consolidated total liabilities</b>	<b><u>364,370</u></b>	<b><u>527,250</u></b>	<b>891,620</b>
<b>Other segment information</b>			
Depreciation, amortisation and impairment	13,618	7,412	
Capital expenditure	39,065	18,728	
Sales of Branded Consumer is analysed as:			
- Own Brands		286,426	
- Agency Brands		<u>191,268</u>	
Total		<u>477,694</u>	

**Segmental revenue and results continued**

	<b>Cocoa Ingredients</b>	<b>Branded Consumer</b>	<b>Total</b>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Full Year ended 31 December 2011</b>			
<b>Sales:</b>			
- Total segment sales	1,307,607	419,831	1,727,438
- Inter-segment sales	<u>(31,286)</u>	<u>-</u>	<u>(31,286)</u>
Sales to external parties	<u>1,276,321</u>	<u>419,831</u>	<u>1,696,152</u>
 EBITDA	 65,767	 63,804	 129,571
 Finance costs			 (27,380)
Share of profit of associated companies			361
Income tax expense			(18,224)
 <b>Assets and liabilities</b>			
Segment assets	802,043	207,667	1,009,710
Associated companies			3,348
Unallocated assets			<u>34,187</u>
<b>Consolidated total assets</b>			<u><b>1,047,245</b></u>
 Segment liabilities	 149,145	 71,283	 220,428
Unallocated liabilities			<u>529,894</u>
<b>Consolidated total liabilities</b>			<u><b>750,322</b></u>
 <b>Other segment information</b>			
Depreciation and amortization	16,997	7,303	24,300
Capital expenditure	44,293	10,706	54,999
 Sales of Branded Consumer is analysed as:			
- Own Brands		245,505	
- Agency Brand		<u>174,326</u>	
Total		<u><b>419,831</b></u>	



## Geographical segments

Information below relates to the countries which the Group made sales to.

For period ended 31 December	Revenue		Capital Expenditure	
	2012	2011	2012	2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Indonesia	352,899	302,752	16,994	10,314
Other countries in Asia Pacific	124,795	117,079	1,734	392
	<u>477,694</u>	<u>419,831</u>	<u>18,728</u>	<u>10,706</u>

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.**

Please refer to paragraph 8.

**17. Breakdown of Sales**

	FY2012	FY2011	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
(a) Sales reported for first half year	241,721	215,160	12.3
(b) Operating profit/loss after tax before deducting minority interest reported for the first half year	25,479	17,102	49.0
(a) Sales reported for second half year	235,973	204,671	15.3
(b) Operating profit/loss after tax before deducting minority interest reported for the second half year	29,086	22,255	30.7

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	FY2012	FY2011
	<u>US\$'000</u>	<u>US\$'000</u>
Ordinary		
- Interim	12,859	11,274
- Proposed Final	11,371	12,956
Preference	Not Applicable	Not Applicable
<b>Total</b>	<b>24,230</b>	<b>24,230</b>

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to [Rule 704\(13\)](#) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder		Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chuang Tiong Choon	64	(i) (ii) (iii)	Husband to Madam Lim Mee Len (Substantial Shareholder) Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder) Brother to Mr Chuang Tiong Kie (Executive Director)	Executive Director/Chief Executive Officer/Managing Director 1989/2004	N.A.
Chuang Tiong Liep	61	(i) (ii) (iii)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder) Brother to Mr Chuang Tiong Kie (Executive Director) Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)	Executive Director 1999	N.A.
Chuang Tiong Kie	54	(i) (ii) (iii)	Brother to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder) Brother to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder) Brother-in-law to Madam Lim Mee Len (Substantial Shareholder)	Executive Director 2001	N.A.

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder		Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chuang Yok Hoa	63	(i)	Sister to Mr Chuang Tiong Choon (Executive Director/ Chief Executive Officer/ Managing Director and Substantial Shareholder)	Company Secretary 1984	N.A.
		(ii)	Sister to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iii)	Sister to Mr Chuang Tiong Kie (Executive Director)		
		(iv)	Sister-in-law to Madam Lim Mee Len (Substantial Shareholder)		
Leman Megawati	49	(i)	Wife to Mr Chuang Tiong Kie (Executive Director)	Director/Commissioner of the following subsidiaries of Petra Foods Limited :-  (i) Director of PT Perushaan Industri Ceres (Appointed on 1997) (ii) Director of PT Nirwana Lestari (Appointed on 1986) (iii) Commissioner of PT General Food Industries (Appointed on 2003)	N.A.
		(ii)	Sister-in-law to Mr Chuang Tiong Choon (Executive Director/Chief Executive Officer/Managing Director and Substantial Shareholder)		
		(iii)	Sister-in-law to Mr Chuang Tiong Liep (Executive Director and Substantial Shareholder)		
		(iv)	Sister-in-law to Madam Lim Mee Len (Substantial Shareholder)		

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

27 February 2013