

FOR IMMEDIATE RELEASE

Petra Foods' Branded Consumer business posts 20% increase in 1Q net profit to US\$14.1 million

- *Strong performance of the Branded Consumer Division driven by strong Own Brands sales and high profit margins achieved*
- *The Group continues to reap the benefits of strengthening and developing its presence across the region*

Financial Highlights (US\$ Million)	3 months ended 31 March		
	1Q 2013	1Q 2012	% Change
BRANDED CONSUMER			
Revenue	127.4	118.3	↑7.7
EBITDA	21.7	18.1	↑20.1
Net Profit	14.1	11.7	↑20.0
TO-BE-DIVESTED COCOA INGREDIENTS			
Net (loss)/profit from to-be-divested Cocoa Ingredients ⁽¹⁾⁽²⁾	(29.0)	4.6	NM
GROUP NET (LOSS)/PROFIT	(14.9)	16.3	NM

(1) *Impacted by additional provisions (US\$6.3 million) and exceptional charges (US\$1.7 million) totalling US\$8.4 million, net of tax*

(2) *The 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 attributable to the Group*

SINGAPORE - 15 May 2013 - Petra Foods Limited ("Petra Foods" or the "Group") today announced that its Branded Consumer Division achieved a net profit of US\$14.1 million for the first quarter ended 31 March 2013 ("1Q 2013") representing a Year-on-Year growth of 20.0%. The performance was boosted by the Group's strong presence in its regional markets and supported by vibrant consumption across the region.

However, the performance of the to-be-divested Cocoa Ingredients Division was impacted by the continuing industry pressures affecting cocoa ingredients suppliers worldwide. This, in addition to provisions and exceptional charges totalling US\$8.4 million relating to the planned divestiture, led to a net loss of US\$14.9 million for the Group in 1Q 2013.

Based on the weighted average number of 611,157,000 ordinary shares in issue, the Group's net asset value per share as at 31 March 2013 was 50.4 US cents.

SEGMENTAL REVIEW

Branded Consumer Division

Financial Highlights (US\$ Million)	3 months ended 31 March		
	1Q 2013	1Q 2012	% Change Y-o-Y
Indonesia	94.3	89.5	↑5.3
The Regional Markets	33.1	28.8	↑15.0
Total Branded Consumer Revenue	127.4	118.3	↑7.7
Gross Profit Margin (%)	32.5%	30.5%	↑2.0% pt
EBITDA	21.7	18.1	↑20.1

The strong growth momentum achieved in FY2012 continued its positive impact on the Division's 1Q 2013 performance with record revenue of US\$127.4 million, representing a 7.7% increase as compared to the corresponding quarter last year. This can be attributed to strong Own Brands sales and higher profit margins achieved.

In Indonesia, sales of Own Brands achieved strong double digit growth in 1Q 2013 in the Premium and Value segments reflecting our investment in brand development programmes, continuous product innovation and wider distribution coverage, which has enabled us to accomplish increased market penetration.

In the Philippines, Petra Foods' Own Brands portfolio achieved equally impressive results with double digit revenue growth. This was mainly driven by aggressive new product launches supported by higher levels of investment in brand development programmes and an expanded distribution network.

For 1Q 2013, the Branded Consumer Division achieved higher Gross Profit Margin of 32.5% driven mainly by higher margins achieved by Own Brands products reflecting the higher sales volume achieved, higher proportion of Premium products in sales mix and effective

management of input costs. The discontinuation of some less profitable Agency Brands in 1Q 2013 was another contributing factor to the margin improvement.

To-be-divested Cocoa Ingredients Division

Financial Highlights (US\$ Million)	3 months ended 31 March		
	1Q 2013	1Q 2012	% Change Y-o-Y
EBITDA	(23.4)	16.4	NM
(Loss)/Net Profit	(29.0)	4.6	NM
Sales volume (metric ton)	62,406	68,196	▼8.5

The operating loss of the to-be-divested Cocoa Ingredients Division was due to a number of factors affecting cocoa ingredients suppliers worldwide, including over supply of capacity and weaker chocolate consumption with the significant headwinds resulting in negative margins.

The Division's performance was also impacted by a net-of-tax US\$6.3 million inventories provision and write-down and exceptional charges of US\$2.1 million. With the industry headwinds having deteriorated further, the Group expects higher losses from current levels for this to-be-divested Division in 2013.

The completion of the Proposed Divestment, which has been approved by Petra Foods shareholders, is targeted to be either June or July 2013.

BUSINESS PROSPECTS

Riding on the growth momentum generated in 1Q 2013, the Group expects the performance of its Branded Consumer Division to remain strong, despite volatility in the regional currencies and input costs.

Mr John Chuang, Petra Food's Chief Executive Officer, said: "Our strategic focus is to continue driving growth and profitability in our key chocolate confectionery markets in Southeast Asia. With the vibrant consumption environment in our key consumer markets, we will look to not only grow our core categories, but also look to expand into new categories to capture the significant growth opportunities."

Because of the factors discussed in the preceding Segmental Review section, the Group expects further significant operating losses from its to-be-divested Cocoa Ingredients Division in 2013. Until the completion of the Proposed Divestment, the financial results of the to-be-divested Cocoa Ingredients Division will continue to be consolidated as part of the Group's results. Hence, despite the expected growth of the Branded Consumer Division, the Group will continue to incur net consolidated losses until the Divestment is completed which is targeted to be June or July 2013.

Moving forward with its Branded Consumer business, Petra Foods will further stimulate demand by growing its portfolio of products especially in the Premium segment through the launch of new products and expansion into new product categories. The Group will continue to broaden its distribution network to drive continued growth in its business and invest prudently in manufacturing and distribution capabilities to capture growth opportunities in the long term.

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This Press Release should be read in conjunction with the full text of the "Unaudited Financial Statements and Dividend Announcement for the First Quarter ended 31 March 2013".

ABOUT PETRA FOODS LIMITED

Listed on the SGX-ST since 5 November 2004, Petra Foods 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.

Note: On 12 December 2012, the Group announced that it entered into a conditional sale and purchase agreement with Barry Callebaut AG and Barry Callebaut Belgium N.V. for the sale of its Cocoa Ingredients Division. The proposed divestment has been approved by Petra Foods’ shareholders and is expected to be completed in June or July 2013.

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 third 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.

Issued on behalf of Petra Foods Limited

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