

PETRA FOODS
LIMITED
(Registration no. 198403096C)

2nd Quarter & 1st Half 2013
Financial Results

(unaudited)

14 August 2013



Important Note on Forward-Looking Statements

The presentation herein may contain forward looking statements by the management of Petra Foods Limited (“Petra”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Petra. Therefore, the actual performance of Petra may differ significantly from expressions provided herein.

This Results Presentation should be read in conjunction with the full text of the “Unaudited Financial Statements and Dividend Announcement for the 2nd Quarter and 1st Half ended 30 June 2013”.

Scope of Briefing

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Executive Summary

- **Record 1H performance achieved despite volatility in regional currencies (especially the Indonesian Rupiah) and higher cost inflation - Net Profit US\$29 million (▲13% Y-o-Y) on revenue of US\$253 million**
- **With the vibrant consumption environment in our core markets, we expect the growth momentum to continue for our Branded Consumer business**
 - To capture the significant growth opportunities in our markets, we will look to expand into new categories in addition to growing our Core Categories, and intensify our brand-building initiatives
 - Furthermore, we will constantly explore possible M&A and strategic alliances to enter new markets and to build positions and capabilities in attractive categories which will add value over the long term to our quality earnings
- **Successful completion of the divestment of the Cocoa Ingredients Division on 30 June 2013**
 - Latest estimated net proceeds is US\$164 million, subject to final post completion adjustments in accordance with the Share Purchase Agreement
- **Proposed an Interim Dividend of 2.36 US cents per share (▲13% Y-o-Y)**

Key Highlights of Branded Consumer's 1st Half 2013

(In US\$ Million)	1H 2013	1H 2012	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	253	240	▲ 5.6%	▲ 9.5%
Indonesia	186	181	▲ 2.7% *	▲ 8.5% *
Regional Market	67	59	▲ 14.4%	▲ 12.5%
Gross Profit (GP)	83	73	▲ 13.7%	▲ 18.3%
GP Margin	32.7%	30.4%	▲ 2.3% pt	▲ 2.3% pt
EBITDA	45	40	▲ 13.4%	▲ 20.4%
EBITDA Margin	17.8%	16.5%	▲ 1.3% pt	▲ 1.3% pt
Net Profit - Branded Consumer	29	25	▲ 13.2%	▲ 21.1%

Figures may not add due to rounding

* If the results were adjusted for the effect of the rationalization of Agency Brands in January 2013, the 1H revenue growth for Indonesia would have been 8.9% (in US\$) and 15.1% (in local currency)

■ Strong Branded Consumer performance driven by:

- (1) Robust regional economies and the vibrant consumption environment in our regional markets
- (2) Higher Own Brands sales across all segments (▲13.0% in local currency terms) reflecting strong volume growth achieved for our core brands in fast growing categories, successful new product launches (29 launched in last 12 months) and wider distribution coverage
- (3) The higher Y-o-Y Own Brands margin achieved through strong volume growth (especially in the Premium segment), product mix and effective management of input costs; and the positive margin impact from discontinuation of some less profitable Agency Brands

Update on Divestment

- **Successfully completed on 30 June 2013**
 - Estimated Sales Proceeds on completion is US\$860 million
 - Received US\$679 million on 1 July 2013 after adjusting for estimated net debt of US\$181 million assumed by Barry Callebaut

- **Latest Estimated Net Proceeds is US\$164 million and Net Estimated Gain on Divestment is US\$64 million (after accounting for the 4Q 2012 exceptional charges). Consideration received is subject to final post completion adjustment in accordance with the Share Purchase Agreement**

- **Possible Use of Net Proceeds - Reinvest in our Branded Consumer Division as well as, if circumstances warrant, consider distribution to shareholders**
 - Shareholders will be kept updated and further announcement will be made in due course

Group Financial Highlights

(Including Divested Cocoa Ingredients Division)

Group Financial Highlights - At a glance

(In US\$ Million)	2Q 2013	2Q 2012	Y-o-Y Change	Local Currency Performance (Y-o-Y charge)	1H 2013	1H 2012	Y-o-Y Change	Local Currency Performance (Y-o-Y charge)
Revenue	125.6	121.4	▲ 3.5%	▲ 6.6%	253.0	239.7	▲ 5.6%	▲ 9.5%
- Indonesia	91.4	91.3	▲ 0.1%	▲ 4.7%	185.6	180.8	▲ 2.7%	▲ 8.5%
- Regional Market	34.2	30.1	▲ 13.9%	▲ 12.4%	67.4	58.9	▲ 14.4%	▲ 12.5%
EBITDA	23.2	21.6	▲ 7.8%	▲ 13.8%	44.9	39.6	▲ 13.4%	▲ 20.4%
Net Profit of Branded Consumer	14.8	13.7	▲ 7.4%	▲ 13.6%	28.9	25.5	▲ 13.2%	▲ 21.1%
<u>Divested Cocoa Ingredients</u>								
(Loss)/Profit (after tax before EI)	(89.4)	2.1	NM	NM	(116.2)	6.7	NM	NM
Exceptional Items (net of tax)	79.4	-	NM	NM	77.2	-	NM	NM
(Loss)/Profit (after tax after EI)	(10.0)	2.1	NM	NM	(39.0)	6.7	NM	NM
Group Net Profit	4.8	15.9	NM	NM	(10.1)	32.2	NM	NM

Figures may not add due to rounding.

- **Despite Branded Consumer's profit of US\$28.9 million, the Group's 1H 2013 results were impacted by the US\$39 million loss from Cocoa Ingredients due to significant headwinds facing the industry and exceptional charges incurred**
- **Cocoa Ingredients' net loss of US\$39 million in 1H 2013 includes:**
 - The exceptional gain of US\$77.2 million arising from the divestment
 - US\$72.5 million inventory write-off and write-down (net of tax)

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(US\$ Million)	30 Jun 2013	Proforma ¹ 30 Jun 2013	31 Dec 2012	Highlights
Cash and Cash Equivalents	15.7	225.8	33.0	
Trade Receivables	75.5	75.5	67.5	
Inventories	60.3	60.3	61.4	
Other Assets	716.1	37.2	29.6	▪ Include US\$679 million of proceeds subsequently received from Barry Callebaut on 1 July 2013.
Fixed Assets, Intangible Assets & Investments	83.6	83.6	86.9	
Cocoa Ingredients - Divested Assets	-	-	941.4	▪ Reflects successful completion of divestment on 30 June 2013.
Total Assets	951.2	482.4	1,219.8	
Trade Payables	34.9	34.9	34.1	
Other Liabilities	110.5	110.5	66.2	
Cocoa Ingredient - Divested Liabilities	-	-	166.4	
Total Borrowings	500.8	32.0	624.9	▪ US\$180 million of Cocoa Ingredients debt was taken over by Barry Callebaut.
Working Capital Facilities/Trade Finance	298.8	18.9	367.2	} ▪ Net proceeds from the divestment were subsequently used to reduce all Cocoa Ingredients' debt facilities. Approximately US\$32 million will remain after the Cocoa Ingredients' debt are repaid.
Medium Term Note (MTN)	138.8	-	165.3	
Term Loan	63.2	13.1	92.4	
Total Equity	305.0	305.0	328.2	
Key Ratio				
Group				
Net Debt/Equity	1.69 x	- ²	1.79 x	▪ Stronger financial position after divestment of Cocoa Ingredients Division.
Current Ratio	1.39	1.39	1.29	
Branded Consumer				
Inventory Days	65		67	
Receivables Days	52		46	
Payable Days	37		40	

Note:

1 Proforma Balance Sheet assume the effect of sales proceeds on 30 June 2013 instead of 1 July 2013.

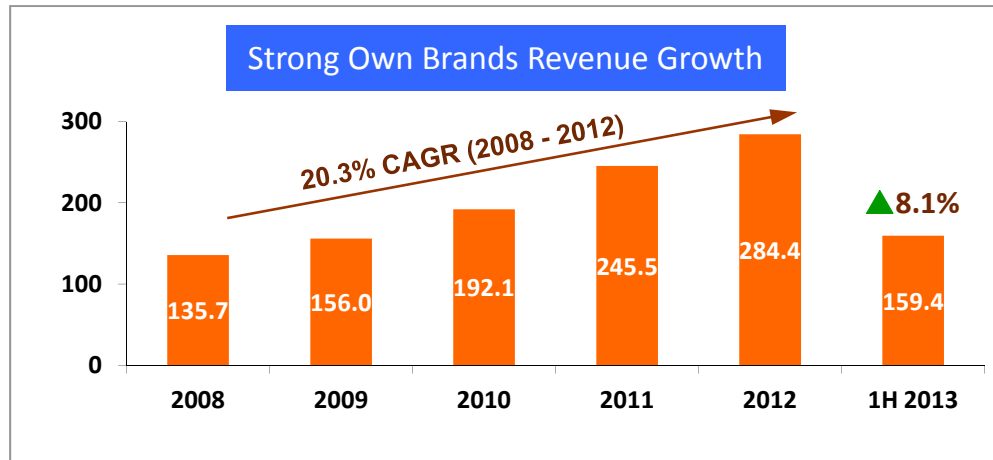
2 Net debt to equity ratio is not applicable as the Group is in a net cash position post divestment.

Cash Flow Applications

For the period ended 30 June 2013 (In US\$ Million)	Branded Consumer	(Divested) Cocoa Ingredients	Group
EBITDA	44.9	(104.0)	(59.1)
Less: Changes in Operating Cash Flow			
(Increase) in Working Capital	(17.4)	65.1	47.7
Tax Expense (paid)/received	(10.1)	3.3	(6.8)
Interest Expense paid	(0.7)	(14.1)	(14.8)
Operating Cash Flow	16.7	(49.7)	(33.0)
Investing Activities			
Deposits for Capex	(13.6)	-	(13.6)
Capex & Investment	(4.5)	(3.6)	(8.1)
Cash of Subsidiaries Disposed & Transaction Cost	-	(13.5)	(13.5)
Free Cash Flow	(1.4)	(66.8)	(68.2)
Financing Activities			
Proceeds/(repayment) from Term Loan and MTN	0.6	(50.2)	(49.6)
(Repayment)/proceeds from Trade Finance and Working Capital financing	(2.7)	114.6	111.9
Dividend paid	(11.4)	-	(11.4)
Net Cash Movement	(14.9)	(2.4)	(17.3)

Branded Consumer Division

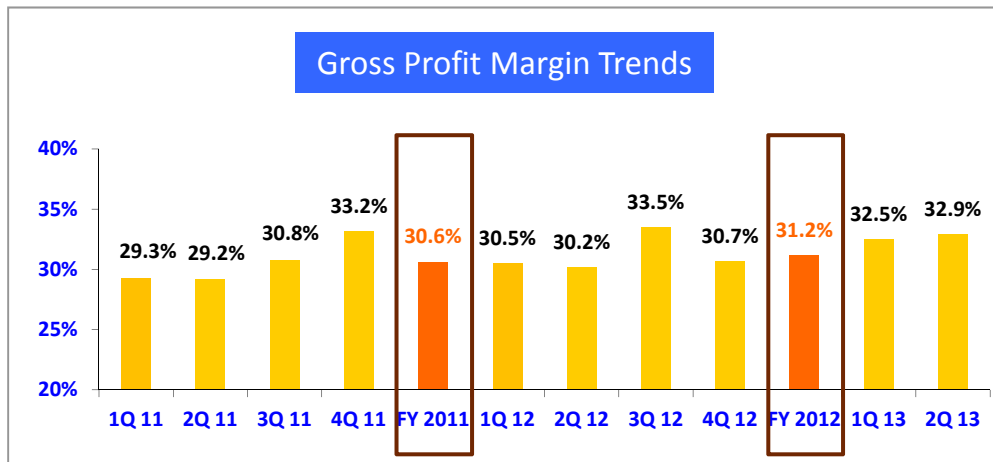
Branded Consumer - Financial Highlights



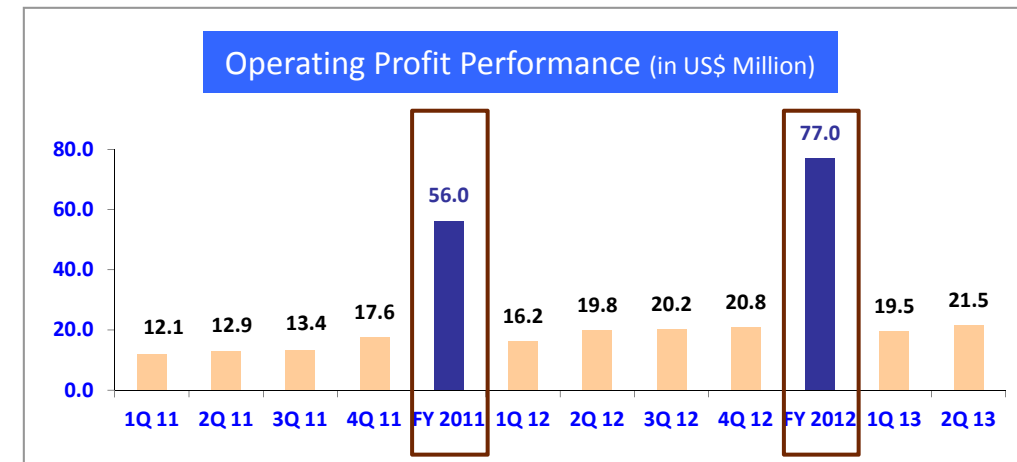
- Strong growth driven by our market leading brands in fast growing categories; our strong innovation culture and strong routes-to-market



- Strong position in Indonesia complemented by a growing regional footprint



- The higher 2Q 2013 margin due mainly to (i) Higher Own Brands margin achieved reflecting higher proportion of Premium products in sales mix; and (ii) Higher Agency Brands margins



- The strong operating profit generated is driven primarily by strong performance of Own Brands and successful new product launches

Divested Cocoa Ingredients Division

Divested Cocoa Ingredients Division

(In US\$ Million)	2Q 2013	2Q 2012	Y-o-Y Change	1H 2013	1H 2012	Y-o-Y Change
Operating Net (Loss)/Profit ¹	(25.4)	2.1	NM	(43.7)	6.7	NM
- Inventory Write-Off & Write-Down	(64.0)	-	NM	(72.5)	-	NM
- Exceptional Gain	79.4	-	NM	77.2 ²	-	NM
Net (Loss)/Profit	(10.0)	2.1	NM	(39.0)	6.7	NM

¹ Before exceptional gain and inventory write-off and write-down to net realizable value

² The 1H 2013 exceptional gain is after accounting for the US\$2.2 million exceptional charge in 1Q 2013

■ Cocoa Ingredients Division's 1H 2013 performance reflected:

- (1) Inventory write-off and NRV provision amounting to US\$72.5 million, net of tax, resulting from margin compression and significant industry pricing headwinds.
- (2) Exceptional gain of US\$77.2 million on completion of Divestment.

■ With the successful completion on 30 June 2013, the Group's results will no longer be impacted by the Cocoa Ingredients business

Thank You
