

FOR IMMEDIATE RELEASE

Petra Foods Branded Consumer Division achieves encouraging start to 2014 with PATMI of US\$13.8 million

Performance spurred on by robust sales of Own Brands products, as well as successful investments in innovation, brand building initiatives and route-to-market capabilities

Financial Highlights (US\$ million)	3 months ended 31 March			
	1Q 2014	1Q 2013 ⁽¹⁾	Change (%)	% change Y-o-Y in Constant Exch Rates
BRANDED CONSUMER BUSINESS				
Revenue	122.7	126.9	▼3.3	▲15.7
EBITDA	20.7	21.7	▼4.7	▲20.4
PATMI	13.8	14.1	▼1.6	▲14.8
Gross Profit Margin (%)	31.9	32.0	▼0.1% pt	▼0.1% pt
DIVESTED COCOA INGREDIENTS BUSINESS <i>(divestment completed on 30 June 2013)</i>				
Net loss from divested Cocoa Ingredients ⁽²⁾	(0.3) ⁽²⁾	(29.0) ⁽³⁾	(98.9)	(98.9)
Group PATMI	13.5	(14.9)	NM	NM

⁽¹⁾ 1Q 2013, certain trade-related expenses were re-classified to net off against sales in order to conform to the presentation in the FY2013 audited financial statements. This does not have any impact on the results and financial position of the Group and of the Company for the first quarter ended 31 March 2013.

⁽²⁾ For 1Q2014, included in the Discontinued operations were costs incurred by the Company pertaining to the dispute with Barry Callebaut

⁽³⁾ The financial results of the Cocoa Ingredients Division were no longer consolidated as part of the Group's 1Q 2014 results. However, results of the divested Division was still included as part of the Group's results in 1Q 2013.

SINGAPORE - 7 May 2014 - Petra Foods Limited (“**Petra Foods**” or the “**Group**”) rode on its growth momentum in 2013 with an encouraging start to 2014. The Group’s Branded Consumer Business achieved a revenue of US\$122.7 million and a PATMI of US\$13.8 million for the first quarter ended 31 March 2014 (“**1Q 2014**”). In terms of a year-on-year (Y-

o-Y) comparison, in the Group's US Dollar reporting currency, revenue was lower by 3.3% and PATMI lower by 1.6%. However, in constant currency terms, which is more representative of the Group's underlying performance, revenue growth of 15.7% Y-o-Y and PATMI growth of 14.8% Y-o-Y was achieved boosted by strong sales of its Own Brands products and backed by successful investments in innovation, brand building initiatives and route-to-market capabilities.

This strong showing was despite the impact that weaker regional currencies had on the Group's revenue and earnings (the Indonesian Rupiah fell an average of 24% against the US dollar Y-o-Y in 1Q 2014).

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 2014 was 51.2 US cents as compared to 47.5 US cents as at 31 December 2013. Earnings per share in 1Q 2014 was 2.22 US cents, as compared to a loss of 2.43 US cents per share in 1Q 2013.

SEGMENTAL REVIEW

Branded Consumer Division

Financial Highlights (US\$ million)	3 months ended 31 March			
	1Q 2014	1Q 2013	Change (%)	% change Y-o-Y in Constant Exch Rates
Indonesia	88.1	94.3	▼6.5	▲16.1%
Regional Markets	34.6	32.6	▲6.2	▲14.3%
Total Branded Consumer Revenue	122.7	126.9	▼3.3	▲15.7%

Indonesia remained the main source of revenue for the Group, contributing 71.8% of revenue to the Branded Consumer Division. In constant currency terms, revenue from Indonesia jumped 16.1% in 1Q 2014 from 1Q 2013. The strong double-digit revenue growth can be attributed to broad based growth of our leading brands across all product categories and in the Premium and Value segments.

Sales of the Group's Own Brands products also performed well in Indonesia with the chocolate confectionery and biscuits/wafer categories reaching double digit sales growth in constant currency terms. The sales performance of the Own Brands products in Indonesia was backed by an expanded product portfolio as well as the Group's leading market position.

Excluding discontinued Agency Brands and in constant currency terms, the Group's regional markets of the Philippines, Malaysia and Singapore recorded an increase of 21.2% in revenue in 1Q 2014 compared to 1Q 2013. Out of these three regional markets, the Philippines showed the greatest improvement in revenue due to strong double digit revenue growth in the Own Brands portfolio led by the Goya brand.

Mr John Chuang, Petra Food's Chief Executive Officer, said: "We are pleased that the year is off to an encouraging start with the strong financial performance achieved driven by the growth in sales of our Own Brands products. Going forward, we plan to further grow our regional businesses (especially in Indonesia and the Philippines) by accelerating our efforts to develop innovative products that will appeal to consumers at all the different price points. Concurrently, we will also be broadening our distribution network to continue to drive growth for our business."

Divested Cocoa Ingredients Division

Following the divestment of Petra Foods' Cocoa Ingredients Division to Barry Callebaut AG on 30 June 2013, net proceeds after allowing for repayment of net borrowings pertaining to the Business that were not transferred with the Sales Assets and the Sale Shares is estimated at US\$164.5 million.

Petra Foods had on 21 October 2013 announced a dispute concerning post completion adjustments. The proceedings are ongoing and the Group will make the necessary announcements should there be material developments to the dispute.

Outlook

With our business focused on the South East Asian chocolate confectionery market, in particular Indonesia and Philippines, which are fast growing markets for chocolate confectionery sales, our geographic and product portfolio positions us well for future growth. The vibrant consumption environment in our regional markets is supported by the robust economies and the fast growing middle income classes, and we will continue to capitalize on this positive consumption trend by focusing on growing our key brands and categories. Market development is a key driver of our growth and is built around extending ourselves - upwards by encouraging more consumers to consume our premium brands, outwards by driving consumption demand from new categories and even downwards by offering value products for consumers on lower incomes. Besides appealing to consumers in terms of product taste and packaging we aim to address different price points to fulfill different consumer needs.

To sustain profitable growth over the longer term, in addition to growing our key brands in our markets, we will also be further broadening our distribution network to continue driving the growth of our business. In addition, we will invest to build capacity and capabilities in our manufacturing and distribution infrastructure to capture the growth opportunities. To better manage strategic risk, we will continue to explore possibilities to enter new markets and to extend to new categories.

Despite volatility in the regional currencies and input costs, we expect the performance of our Branded Consumer Division in local currency to remain strong, essentially a continuation of the growth momentum already generated although any further weakening of the regional currencies will have a translational impact when translated into the Group's US Dollar reporting currency.

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ABOUT PETRA FOODS LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Petra Foods Limited and its subsidiaries (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. 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 portfolio of well-known agency brands in Indonesia, Singapore, Malaysia and the Philippines.

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.

The Group’s Chief Executive Officer, Mr John Chuang, was also 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.

In November 2013, Petra Foods was awarded Runner-Up in the “Most Transparent Company Award” for the food and beverage sector at the Securities Investors Association (Singapore) Investors’ Choice Awards.

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