

FOR IMMEDIATE RELEASE

Strong sales in 2Q 2014 generates US\$13.2 million PATMI for Petra Foods

- Robust results achieved despite challenging operating environment and significant weakness in regional currencies
- Strong growth across all markets, especially the Philippines, reflects the success of aggressive brand building strategies and route-to-market capabilities

| Financial Highlights (US\$ Million) | 3 months ended 30 June | | | | 6 months ended 30 June | | | |
|--|------------------------|------------------------|---------------|---------------------------------------|------------------------|------------------------|--------------|---------------------------------------|
| | 2Q 2014 | 2Q 2013 ^(a) | Change (%) | Change in Constant Exchange Rates (%) | 1H 2014 | 1H 2013 ^(a) | Change (%) | Change in Constant Exchange Rates (%) |
| BRANDED CONSUMER BUSINESS | | | | | | | | |
| Revenue | 131.8 | 125.2 | 5.3 | 20.9% | 254.6 | 252.1 | 1.0 | 18.3% |
| EBITDA | 21.3 | 23.2 | (8.2) | 10.8% | 42.0 | 44.9 | (6.5) | 15.5% |
| PATMI | 13.2 | 14.8 | (10.6) | 10.4% | 27.0 | 28.9 | (6.2) | 18.5% |
| DIVESTED COCOA INGREDIENTS BUSINESS <i>(divestment completed on 30 June 2013)</i> | | | | | | | | |
| Net loss from divested Cocoa Ingredients | (0.8) ^(b) | (10.0) ^(c) | (91.8) | (91.8) | (1.1) ^(b) | (39.0) ^(c) | (97.1) | (97.1) |
| Group Net Profit | 12.4 | 4.8 | 160.1 | 225.2 | 25.9 | (10.1) | N.M. | N.M. |

- a) Certain trade-related expenses were re-classified to net off against sales in order to conform to the presentation in FY2013 audited financial statements. This does not have any impact on the results and financial position of the Group for 2Q 2013 and 1H 2013.
- b) For 2Q 2014 and 1H 2014, included in the Divested Cocoa Ingredients business were costs incurred by the Company pertaining to the dispute with Barry Callebaut.
- c) The financial results of the Divested Cocoa Ingredients business were no longer consolidated as part of the Group's 2Q 2014 and 1H 2014 results. However, results of the divested business were still included as part of the Group's results in 2Q 2013 and 1H 2013.

SINGAPORE - 13 August 2014 - Petra Foods Limited ("Petra Foods" or the "Group") today announced its Branded Consumer business generated EBITDA of US\$21.3 million and PATMI of US\$13.2 million on the back of US\$131.8 million in revenue, for the three months ended 30 June 2014 ("2Q 2014"). The performance was achieved despite an environment of intensifying competition, higher cost inflation, weakness in regional currencies, and full absorption of HQ expenses by the Branded Consumer business¹.

¹ Prior to the divestment of the Cocoa Ingredients business on 30 June 2013, HQ expenses were allocated between the Branded Consumer and Cocoa Ingredients businesses.

For the six months ended 30 June 2014 (“1H 2014”), PATMI achieved was US\$27.0 million on the back of US\$254.6 million in revenue. From a Y-o-Y comparison perspective, the Group’s results when translated into its US Dollar reporting currency was affected by the weakness in the regional currencies especially the Indonesian Rupiah against the US Dollar which weakened by an average of 21.0% in 1H 2014.

In constant currency terms, for a comparison of the underlying Y-o-Y performance of the business, and despite increased competitive activity in the core Indonesian market, Petra Foods achieved double-digit growth in both revenue and PATMI of 18.3% and 18.5% respectively for 1H 2014, demonstrating the strength of the Group’s brand portfolio and the effectiveness of its sales and marketing strategies.

Based on the weighted average number of 611,157,000 ordinary shares in issue, the Group’s earnings per share from continuing operations in 2Q 2014 was 2.16 US cents as compared to 2.41 US cents in the same quarter last year. Net asset value per share as at 30 June 2014 was 48.2 US cents compared to 47.5 US cents as at 31 December 2013.

SEGMENTAL REVIEW

Branded Consumer Division - By Brands

| Financial Highlights (US\$ Mmillion) | 3 months ended 30 June | | | | 6 months ended 30 June | | | |
|---------------------------------------|------------------------|--------------|------------|---------------------------------------|------------------------|--------------|------------|---------------------------------------|
| | 2Q 2014 | 2Q 2013 | Change (%) | Change in Constant Exchange Rates (%) | 1H 2014 | 1H 2013 | Change (%) | Change in Constant Exchange Rates (%) |
| Own Brands | 80.4 | 76.6 | 5.0 | 22.5 | 158.4 | 158.6 | (0.1) | 19.1 |
| Agency Brands | 51.4 | 48.6 | 5.8 | 18.5 | 96.2 | 93.5 | 2.9 | 16.8 |
| Total Branded Consumer Revenue | 131.8 | 125.2 | 5.3 | 20.9 | 254.6 | 252.1 | 1.0 | 18.3 |

Branded Consumer Division - By Markets

| Financial Highlights (US\$ Million) | 3 months ended 30 June | | | | 6 months ended 30 June | | | |
|---------------------------------------|------------------------|--------------|------------|---------------------------------------|------------------------|--------------|------------|---------------------------------------|
| | 2Q 2014 | 2Q 2013 | Change (%) | Change in Constant Exchange Rates (%) | 1H 2014 | 1H 2013 | Change (%) | Change in Constant Exchange Rates (%) |
| Indonesia | 96.3 | 91.4 | 5.4 | 24.8 | 184.5 | 185.7 | (0.7) | 20.4 |
| Regional Markets | 35.5 | 33.8 | 5.1 | 10.6 | 70.1 | 66.4 | 5.6 | 12.4 |
| Total Branded Consumer Revenue | 131.8 | 125.2 | 5.3 | 20.9 | 254.6 | 252.1 | 1.0 | 18.3 |
| Gross Profit Margin | 31.9% | 32.5%* | (0.6% pt) | (0.6% pt) | 31.9% | 32.3%* | (0.4% pt) | (0.4% pt) |

* The Gross Profit margin for 2Q 2013 and 1H 2013 was recomputed as certain trade-related expenses relating to these two periods were re-classified to net off against sales in order to confirm to the presentation in FY2013 audited financial statements.

The strong performance (in local currency terms) of the Branded Consumer Division was driven mainly by Own Brands sales across all markets, with revenue increasing 22.5% and 19.1% Y-o-Y in 2Q 2014 and 1H 2014 respectively.

The growth momentum achieved by the Group's Own Brands despite intensified competition, was spread across all product categories and reflected the success of recent pricing strategies for selected products and initiatives to drive volume growth. At the same time, Agency Brands distributed by the Group achieved 18.5% revenue growth Y-o-Y in 2Q 2014.

In terms of performance by markets, Indonesia remains the biggest revenue contributor, providing 73.0% of the Group's sales, while among the regional markets of Philippines, Malaysia and Singapore, Philippines achieved the strongest growth rate for Own Brands, in excess of 40% for 2Q 2014 and 1H 2014.

Petra Foods' strong showing in the Philippines reflected the success of its investment to enhance its route-to-market capabilities and strengthen its portfolio of Own Brands through aggressive new product launches with extensions into other categories including chocolate spreads.

Despite higher cost inflation caused by weak regional currencies, the Group's gross profit margin remained at 31.9% for the second quarter in a row reflecting the success of its cost mitigating measures implemented, including selective price adjustments, launch of higher margined new products, product rightsizing and reducing supply chain costs.

Mr John Chuang, Petra Food's Chief Executive Officer, said: "Demand for our chocolate confectionery products continue to benefit from the vibrant consumption environment for chocolate confectionery in the region even as we remain committed to ongoing investments in product development, innovations, brand building and our route-to-market capabilities in order to reinforce and further strengthen our market position."

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.

Other than post completion adjustments, which are the subject of the arbitration, there will be no further impact from the Cocoa Ingredients business after 2Q 2014.

BUSINESS PROSPECTS

Despite volatility in the regional currencies and input costs, the Group expects the performance of its Branded Consumer business in local currency for the remainder of the year to remain robust, 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.

Mr Chuang added: "To sustain profitable growth in the longer term, we will continue to focus on market development in addition to broadening our distribution network. 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 and outwards by driving consumption demand from new categories.

"To capitalize on the growing South-East Asian chocolate confectionery market, we intend to invest in building our capacity and capabilities in our manufacturing and distribution infrastructure to capture the growth opportunities. We are also constantly exploring possibilities to enter new markets to expand our regional footprint and to extend into new categories."

DIVIDEND

The directors have declared an interim cash dividend of 2.21 US cents (2.73 Singapore cents) per share. This interim dividend will be paid on 9 September 2014.

Together with the final and special dividend of 4.09 US cents (5.14 Singapore cents) paid on 20 May 2014, the total cash distributions received by shareholders this year will amount to 6.30 US cents or 7.87 Singapore cents per share in 2014 (2013: 4.22 US cents or 5.27 Singapore cents).

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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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