

FOR IMMEDIATE RELEASE

## Petra Foods achieves US\$10.5 million PATMI in 3Q 2014 driven by strong sales in key markets

- Robust results achieved despite a challenging operating environment and significant weakness in regional currencies
- Performance reflects the success of brand building strategies and route-to-market capabilities

Financial Highlights (US\$ Million)	3 months ended 30 September				9 months ended 30 September			
	3Q 2014	3Q 2013 <sup>(a)</sup>	Change (%)	Change in Constant Exchange Rates (%)	9M 2014	9M 2013 <sup>(a)</sup>	Change (%)	Change in Constant Exchange Rates (%)
<b>BRANDED CONSUMER BUSINESS</b>								
Revenue	118.2	126.3	(6.5)	1.6	372.7	378.4	(1.5)	12.7
EBITDA	17.7	23.0	(23.1)	(12.8)	59.7	67.9	(12.1)	5.9
<b>PATMI</b>	<b>10.5</b>	<b>14.8</b>	<b>(29.1)</b>	<b>(18.7)</b>	<b>37.5</b>	<b>43.7</b>	<b>(14.0)</b>	<b>5.9</b>
<b>DIVESTED COCOA INGREDIENTS BUSINESS</b> <i>(divestment completed on 30 June 2013)</i>								
Net loss from divested Cocoa Ingredients	-	-	-	-	(1.1) <sup>(b)</sup>	(39.0)	(97.1)	(97.1)
Group Net Profit	10.5	14.8	(29.1)	(18.7)	36.4	4.7	676.5	861.6

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 3Q 2014 and 9M 2014.

b) For 9M 2014, these are costs related to the dispute with Barry Callebaut.

**SINGAPORE - 11 November 2014** - Petra Foods Limited (“**Petra Foods**” or the “**Group**”) today announced its Branded Consumer business generated EBITDA of US\$17.7 million and PATMI of US\$10.5 million on the back of US\$118.2 million in revenue, for the three months ended 30 September 2014 (“**3Q 2014**”). The performance was achieved despite keener competition, higher cost inflation and weakness in regional currencies, which reflected the success of the Group’s two-pronged strategy to drive sales by supporting its brand building efforts with strong routes-to-market capabilities across its key markets.

PATMI for the nine months ended 30 September 2014 (“**9M 2014**”), was US\$37.5 million on the back of US\$372.7 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 18.0% in 9M 2014. In constant currency terms, the Group would have achieved 9M 2014 revenue and PATMI growth of 12.7% and 5.9% respectively.

Mr John Chuang, Petra Food's Chief Executive Officer, said: "*Petra Foods was able to continue growing its business despite an increasingly challenging operating environment because of our significant investments in product innovation, portfolio expansion, brand building and strengthening of our route-to-market capabilities. We remain strongly committed to achieve volume growth by strategically capturing the vibrant demand for chocolate confectionery in our key markets.*"

Based on the weighted average number of 611,157,000 ordinary shares in issue, the Group's earnings per share from continuing operations in 3Q 2014 was 1.72 US cents as compared to 2.43 US cents in the same quarter last year. Net asset value per share as at 30 September 2014 was 47.2 US cents compared to 47.5 US cents as at 31 December 2013.

### Branded Consumer Division

Financial Highlights (US\$ Million)	3 months ended 30 September				9 months ended 30 September			
	3Q 2014	3Q 2013	Change (%)	Change in Constant Exchange Rates (%)	9M 2014	9M 2013	Change (%)	Change in Constant Exchange Rates (%)
Indonesia	85.1	91.6	(7.1)	4.4	269.5	277.2	(2.8)	15.1
Regional Markets	33.1	34.7	(4.7)	(6.0)	103.2	101.2	2.1	6.1
<b>Total Branded Consumer Revenue</b>	<b>118.2</b>	<b>126.3</b>	<b>(6.5)</b>	<b>1.6</b>	<b>372.7</b>	<b>378.4</b>	<b>(1.5)</b>	<b>12.7</b>
Gross Profit Margin	31.7%	31.8%*	(0.1% pt)	(0.1% pt)	31.9%	32.1%*	(0.2% pt)	(0.2% pt)

\* The Gross Profit margins for 3Q2013 and 9M2013 were 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.

In terms of contribution by markets, so far this year, Indonesia remains the biggest revenue generator, contributing 72% of the Group's sales. From our Own Brands perspective, sales in our core markets of Indonesia and Philippines for 9M 2014 achieved double digit growth with growth broad based and across our major categories. The growth was driven by a combination of the recent pricing adjustments implemented and volume growth. This performance achieved reflected the vibrant consumption in our markets for chocolate confectionery; and the continued success of our significant investments in innovations, brand building initiatives and our routes-to-market capabilities.

Despite higher cost inflation caused by weak regional currencies, the Group's gross profit margin held steady at 31.7% in 3Q 2014, which is similar to the preceding two quarters of the financial year. According to the Group, this reflects the success of its cost mitigating measures implemented, including selective price adjustments, launch of higher margined new products, product rightsizing, increasing efficiency, increased sales efforts to drive volume, and reducing supply chain costs.

### **Divested Cocoa Ingredients Division**

Petra Foods had on 21 October 2013 announced a dispute concerning post completion adjustments from the divestment of its Cocoa Ingredients Division to Barry Callebaut AG that was completed on 30 June 2013. 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 is no further impact from the Cocoa Ingredients business.

### ***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 last quarter 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 said: *"We aim to continue to outperform the competition and achieve sustainable profit growth through innovation, market development and 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, outwards by driving consumption demand from new categories as well as downwards by offering value products to consumers with lower incomes."*

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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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