

FOR IMMEDIATE RELEASE

Petra Foods reports PATMI of US\$15.2 million in 1H 2015

- Own Brands sales continue to form more than 60% of revenue, underlining the success of the Group's product innovation and extension efforts.
- Declares interim and special dividend of 1.75 Singapore cents and 1.11 Singapore cents per ordinary share respectively.

Financial Highlights (US\$' M)	3 months ended 30 June				6 months ended 30 June			
	2Q 2015	2Q 2014	Change (%)	Change in Constant Exchange Rates (%)*	1H 2015	1H 2014	Change (%)	Change in Constant Exchange Rates (%)*
Revenue	115.1	131.8	(12.7)	(3.0)	221.3	254.6	(13.1)	(6.0)
EBITDA	14.0	21.3	(34.6)	(24.8)	27.7	42.0	(34.0)	(27.2)
PATMI	7.4	12.4	(39.9)	(29.2)	15.2	25.9	(41.4)	(34.4)
Gross Profit Margin	29.3%	31.9%	(2.6 pts)	(2.6 pts)	29.8%	31.9%	(2.1 pts)	(2.1 pts)

* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 2Q 2014 and 1H 2014 in translating 2Q 2015 and 1H 2015 results.

SINGAPORE - 13 August 2015 - Mainboard listed chocolate confectionery company, Petra Foods Limited (“**Petra Foods**” or the “**Group**”) achieved a PATMI of US\$15.2 million on the back of US\$221.3 million in sales for the six months ended 30 June 2015 (“**1H 2015**”). Year-on-year (“Y-o-Y”), this represents a decline of 13.1% in revenue and a 41.4% decline in PATMI as compared to the six months ended 30 June 2014 (“**1H 2014**”). In local currency terms for the purpose of comparing the underlying performance of the Group, 1H 2015 revenue and PATMI were lower compared to 1H 2014 by 6.0% and 34.4% respectively.

The Group's lower Y-o-Y performance was adversely affected by both the Indonesian/US dollar exchange rate and weak consumer sentiment in Indonesia.

Over the past year, there has been a significant decline in the Indonesian Rupiah, which affects not only the gross profit margin as a result of higher dollar denominated raw material costs but also the contribution of the Indonesian business when translated into US dollars.

Mr John Chuang, Petra Food's Chief Executive Officer, said: *"With a slowing economy and fears of further contraction, Indonesian consumers have become more cautious with their spending and this has affected demand across most categories of consumer goods including chocolate confectionery. Our trade partners have reduced their inventory in response to the slower consumption and this had a negative effect on our sales. Having said that, we have been monitoring product movement in Indonesia very closely and based on shelf space data, we noted that consumer demand for our major brands remains positive."*

"Our profit performance was further impacted by higher raw and packaging material costs which increased due to the weaker Rupiah. To mitigate the higher input costs, we recently implemented pricing adjustments and product rightsizing for selected products in Indonesia. Furthermore, the Group's current strong financial position with net cash of US\$86.9 million places us in a strong position to weather the current headwinds," he added.

On a brighter note, growth in the Regional Markets was registered, led by the Philippines which continued to show a double digit increase in Own Brands sales.

Based on 611,157,000 ordinary shares in issue, the Group's earnings per share in 1H 2015 was 2.48 US cents as compared to 4.24 US cents in the same period last year. Net asset value per share as at 30 June 2015 was 45.9 US cents compared to 48.6 US cents as at 31 December 2014.

PERFORMANCE REVIEW BY MARKETS

Financial Highlights (US\$' M)	3 months ended 30 June				6 months ended 30 June			
	2Q 2015	2Q 2014	Change (%)	Change in Constant Exchange Rates (%)*	1H 2015	1H 2014	Change (%)	Change in Constant Exchange Rates (%)*
Indonesia	81.2	96.3	(15.7)	(4.8)	154.7	184.5	(16.1)	(8.3)
Regional Markets	33.9	35.5	(4.7)	1.9	66.6	70.1	(5.1)	0.1
Total Revenue	115.1	131.8	(12.7)	(3.0)	221.3	254.6	(13.1)	(6.0)

* For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 2Q2014 and 1H2014 in translating 2Q2015 and 1H2015 results.

Indonesia

Petra Foods remains a leader in Indonesia with more than 50% share of the chocolate confectionery market. In 2Q 2015 and 1H 2015, the Group's overall revenue was affected by weak consumer sentiment in Indonesia with Y-o-Y sales declining 15.7% and 16.1% respectively. If compared in local currency terms over the same periods, the decline in sales would have been 4.8% and 8.3% respectively.

On a quarter-on-quarter basis, there was an improvement in sales in 2Q 2015 over 1Q 2015 due to the run-up to the Muslim Lebaran festivities.

Regional Markets (comprising Philippines, Malaysia and Singapore)

In the regional markets, sales of Petra Foods' Own Brands continued to grow strongly especially in the Philippines, which achieved double digit revenue growth because of aggressive product launches and category extensions.

In 2Q 2015 and 1H 2015, revenue from the Regional Markets was lower by 4.7% and 5.1% respectively in the Group's USD reporting currency. However in local currency terms and excluding the discontinued Agency Brands, a Y-o-Y growth of 17.0% and 14.2% were achieved.

On 10 June 2015, Petra Foods announced it will cease its distribution business in Singapore due to its relatively small scale despite having invested years of effort into it. The Group's decision relates only to the local distribution market and is not a change in overall strategy. The distribution business remains a core part of the Group's business strategy as it has significant

scale in its other key markets, namely Indonesia, Philippines and Malaysia, where the complementary nature of its Own Brands together with the Agency Brands allows it to gain significant shelf space.

Mr Chuang said: *“Our decision to exit the distribution business in Singapore does not detract from our objective to grow the presence of our Own Brands of chocolate confectionery in the Singapore market which will be achieved through the appointment of a distributor.”*

BUSINESS OUTLOOK

The Group expects its performance for the year ending 31 December 2015 to be affected by several factors, including the challenging operating environment in Indonesia, persistent volatility in regional currencies and higher raw material costs.

Mr Chuang said: *“It is unclear at this stage how prolonged the present economic weakness in Indonesia will be but we do not expect the Y-o-Y decline in 1H 2015 in local currency terms to continue at the same rate throughout 2015. Management is, however, taking proactive and measured steps to maintain our performance not only for the short term but also in line with our long term strategies. We will continue to invest in growing our key brands in our markets and invest prudently to further build our manufacturing and distribution infrastructure. In addition, we will increase our productivity and efficiency targets in our manufacturing and distribution infrastructure. To add further value over the longer term to our quality earnings, we will continue to explore opportunities to enter new markets and to extend our product categories.”*

DIVIDENDS

The directors have declared an interim cash dividend of 1.28 US cents (1.75 Singapore cents) per share and a special dividend of 0.81 US cents (1.11 Singapore cents) per share to be paid on 9 September 2015.

UPDATE ON DIVESTED COCOA INGREDIENTS BUSINESS

Petra Foods had on 17 December 2013 announced its filing of a Notice of Arbitration with the Singapore International Arbitration Centre to resolve disputes arising out of and in connection with the Sales and Purchase Agreement with regard to 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 in due course. Other than

post completion adjustments, which are the subject of the arbitration, there is no further impact from the Cocoa Ingredients business.

###

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. In 2015, the Group was awarded "Best Managed Board" in the Bronze 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, "Businessman of the Year" at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

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.

Issued by August Consulting on behalf of Petra Foods Limited

Media Contact:

Wrisney Tan

Tel: +65 6733 8873, Mobile: +65 9743 2667, Email: wrisneytan@august.com.sg

Dinesh Dayani

Tel: +65 6733 8873, Mobile: +65 9115 7441, Email: dinesh@august.com.sg