Petra Foods Limited
Unaudited Financial Statements and Dividend Announcement
For the 3rd Quarter and 9 Months Ended 30 September 2015

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group			Group		
		3Q ended 30 September			9M ended 30 September		
		2015	2014	%	**2015**	2014	%
	Notes	**US$'000**	US$'000		**US$'000**	US$'000	
Revenue	1	**84,572**	118,161	(28.4)	**305,858**	372,731	(17.9)
Cost of Sales		**(60,551)**	(80,655)	(24.9)	**(215,864)**	(253,978)	(15.0)
Gross Profit		**24,021**	37,506	(36.0)	**89,994**	118,753	(24.2)
Other operating income	2	**1,545**	653	136.6	**4,296**	2,384	80.2
Expenses							
Selling and distribution costs		**(17,553)**	(17,144)	2.4	**(50,074)**	(50,104)	(0.1)
Administrative expenses		**(4,567)**	(4,779)	(4.4)	**(14,642)**	(14,910)	(1.8)
Finance costs		**(860)**	(1,015)	(15.3)	**(3,000)**	(2,329)	28.8
Other operating expenses	2	**(471)**	(228)	106.6	**(2,064)**	(1,426)	44.7
Exceptional item	3	**(19,475)**	-	NM	**(20,031)**	(1,141)	NM
Share of (loss)/profit of associated companies		**(34)**	132	NM	**308**	335	(8.1)
(Loss)/profit before income tax		**(17,394)**	15,125	NM	**4,787**	51,562	(90.7)
Income tax expense	4	**(3,301)**	(4,566)	(27.7)	**(10,328)**	(15,176)	(31.9)
Total (loss)/profit	5	**(20,695)**	10,559	NM	**(5,541)**	36,386	NM
(Loss)/profit attributable to:							
Equity holders of the Company		**(20,697)**	10,514	NM	**(5,526)**	36,425	NM
Non-controlling interest		**2**	45	(95.6)	**(15)**	(39)	(61.5)
		(20,695)	10,559	NM	**(5,541)**	36,386	NM
EBITDA		**4,281**	17,676	(75.8)	**31,994**	59,665	(46.4)
Earnings/(losses) per share (US cents) - Basic and Diluted[a]							
- Including Exceptional Item		**(3.39)**	1.72	NM	**(0.90)**	5.96	NM
- Excluding Exceptional Item		**(0.20)**	1.72	NM	**2.37**	6.15	(61.4)
Return on equity							
- Including Exceptional Item					**(2.8%)**	16.6%[b]	(19.4% pt)
- Excluding Exceptional Item					**7.3%**	17.1%[b]	(9.8% pt)

a. As there are no potentially dilutive ordinary shares, diluted Earnings per Share (EPS) is the same as basic Earnings per Share. EPS is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares of 611,157,000.

b. Relates to FY2014 audited figures and excludes exceptional item.

Explanatory notes on income statement

Note 1 - Revenue

(a) Information is based on the location of the markets in which the Group operates.

	3Q ended 30 September			9M ended 30 September		
	2015	2014	Change	**2015**	2014	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Indonesia	**57,092**	85,048	(32.9)	**211,817**	269,488	(21.4)
Regional Markets	**27,480**	33,113	(17.0)	**94,041**	103,243	(8.9)
	84,572	118,161	(28.4)	**305,858**	372,731	(17.9)

(b) Breakdown of Sales

	3Q ended 30 September			9M ended 30 September		
	2015	2014	Change	**2015**	2014	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Own Brands	**52,656**	72,975	(27.8)	**187,890**	231,330	(18.8)
Agency Brands	**31,916**	45,186	(29.4)	**117,968**	141,401	(16.6)
	84,572	118,161	(28.4)	**305,858**	372,731	(17.9)

Note 2 - Other Operating Income and Other Operating Expenses

The Group recorded a gain on sale of fixed assets amounting to US$0.2 million and US$1.4 million in 3Q and 9M 2015 respectively. During 3Q 2015, one of the Group's subsidiaries in Indonesia also received a tax refund of US$0.6 million.

Note 3 - Exceptional Item

On 28 August 2015, the Company announced that it has successfully entered into a settlement agreement with Barry Callebaut with regards to the previously announced dispute. As part of the settlement, the Parties have mutually agreed to a sum of US$38 million plus interest of US$0.8 million, being the adjustment to the closing price as provided in the SPA (see paragraph 8 on page 20).

On the back of the settlement reached with Barry Callebaut, the Group recognized a one-time exceptional charge of US$19.4 million. Included in the 3Q and 9M 2015 exceptional item were also costs incurred by the Company pertaining to the resolution of the dispute with Barry Callebaut.

Note 4 - Income Tax Expenses

During 3Q and 9M 2015, the Company incurred withholding tax on dividend and royalty received from its subsidiaries from Indonesia amounting to US$2.3 million and U$3.5 million respectively. In the periods under review, the Group did not recognise any deferred tax credit on operating losses or restructuring costs incurred as a result of the cessation of its Singapore distribution business which would offset this higher tax expense.

Note 5 - Net Profit

Net Profit is derived after (deducting)/crediting the following:

	3Q ended 30 September			9M ended 30 September		
	2015	2014	Change	**2015**	2014	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment	**(1,785)**	(1,921)	(7.1)	**(5,656)**	(5,803)	(2.5)
Amortisation of intangible assets	**(42)**	(23)	82.6	**(117)**	(63)	85.7
Net foreign exchange loss	**(654)**	(166)	294.0	**(1,403)**	(1,321)	6.2
Group over/(under) provision of tax in prior years	**214**	(70)	NM	**203**	253	(19.8)
Gain on disposal of property, plant and equipment	**161**	35	360.0	**1,435**	154	831.8
Impairment loss on trade receivables	**(43)**	(25)	72.0	**(39)**	(197)	(80.2)
Inventories written off	**(944)**	(377)	150.4	**(1,385)**	(833)	66.3
Allowance made for inventory obsolescence	**(357)**	(355)	0.6	**(945)**	(985)	(4.1)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		30-Sep-15	31-Dec-14	**30-Sep-15**	31-Dec-14
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	**122,573**	171,953	**111,728**	159,985
Derivative assets		**119**	40	**-**	30
Trade receivables		**58,238**	82,055	**1,341**	1,682
Loans to subsidiaries		**0**	-	**172**	-
Inventories		**63,156**	72,750	**-**	105
Tax recoverable		**5,175**	2,753	**-**	-
Other current assets		**13,550**	18,275	**2,395**	5,681
		262,811	347,826	**115,636**	167,483
Non-current assets					
Investments in subsidiaries	2	**-**	-	**35,935**	32,942
Investments in associated companies and joint venture		**2,935**	3,145	**3,000**	3,000
Loans to associated company and joint venture		**1,110**	2,968	**-**	310
Property, plant and equipment	3	**105,882**	111,138	**860**	1,303
Intangibles assets		**5,018**	4,897	**4,767**	4,793
Deferred income tax assets		**412**	418	**-**	-
Other non-current assets		**32**	100	**-**	3,035
		115,389	122,666	**44,562**	45,383
Total Assets		**378,200**	470,492	**160,198**	212,866
LIABILITIES					
Current liabilities					
Trade payables		**26,017**	31,931	**522**	1,400
Other payables	1	**25,533**	52,023	**2,494**	21,338
Current income tax liabilities		**66**	1,265	**-**	-
Derivative liabilities		**-**	-	**-**	-
Borrowings	4	**68,573**	64,806	**89**	139
		120,189	150,025	**3,105**	22,877
Non-current liabilities					
Borrowings	4	**10,797**	9,204	**267**	399
Deferred income tax liabilities		**3,883**	4,340	**-**	-
Provisions for other liabilities and charges		**9,057**	9,597	**-**	-
		23,737	23,141	**267**	399
Total liabilities		**143,926**	173,166	**3,372**	23,276
NET ASSETS		**234,274**	297,326	**156,826**	189,590
Capital and reserves attributable to the Company's equity holders of the Company					
Share capital		**155,951**	155,951	**155,951**	155,951
Foreign currency translation reserve	5	**(69,029)**	(45,677)	**-**	-
Other reserves		**2,054**	2,002	**-**	-
Retained earnings		**145,179**	184,907	**875**	33,639
		234,155	297,183	**156,826**	189,590
Non controlling interest		**119**	143	**-**	-
Total equity		**234,274**	297,326	**156,826**	189,590

Explanatory notes on Statement of Financial Position

Note 1 - Cash and Cash Equivalent and Other Payables

Compared to end-2014, the Group's cash balance at end-September 2015 was lower by US$49.4 million mainly due to the US$38.8 million settlement payment to Barry Callebaut (see paragraph 8 on page 20). The settlement also resulted in a reduction in other payables by US$19.9 million.

Note 2 - Investment in Subsidiaries

On 23 January 2015, the Company increased its investment in Delfi Marketing, Inc. ("DMI"), a wholly owned subsidiary in the Philippines, by PHP 135 million (equivalent to US$3.0 million) by subscribing for an additional 1.35 million ordinary shares with a par value of PHP 100 each in the share capital of DMI. The consideration was satisfied in cash and funded through the Company's internal resources.

Note 3 - Capital Expenditure on Property, Plant and Equipment

Compared to 3Q 2014 and 9M 2014, capital expenditure for 3Q 2015 and 9M 2015 were lower Y-o-Y by US$6.0 million (or 50.8%) and US$12.7 million (or 40.9%) respectively. This reflected the Group's prudent investment strategy in light of the slowing economy in Indonesia.

The capital expenditure was funded through a combination of the Group's operating cash flow and long term loan. Long term loan was utilised to extend the Group's debt maturity profile to match its financing and investment needs.

The allocation of this capital expenditure by geographical region is as follows:

	3Q 2015	3Q 2014	**9M 2015**	9M 2014
	US$'000	US$'000	**US$'000**	US$'000
Indonesia	**5,575**	10,382	**17,584**	28,480
Regional Markets	**215**	1,375	**730**	2,493
	5,790	11,757	**18,314**	30,973

Note 4 - Borrowings

	Group		**Company**	
	30-Sep-15	31-Dec-14	**30-Sep-15**	31-Dec-14
	US$'000	US$'000	**US$'000**	US$'000
Bank overdraft	**27,796**	22,741	**-**	5
Bank borrowings	**40,790**	32,631	**-**	-
Finance lease liabilities	**5,174**	8,224	**356**	533
Trade finance	**5,610**	10,414	**-**	-
	79,370	74,010	**356**	538
Breakdown of borrowings:				
Current	**68,573**	64,806	**89**	139
Non current	**10,797**	9,204	**267**	399
	79,370	74,010	**356**	538

The Company's subsidiaries in Indonesia increased borrowings in local currency to fund operations and capital expenditure. This is part of the Group's on-going strategy to minimize its foreign exchange risk through matching borrowings with functional currency revenue.

Note 5 - Foreign Currency Translation Reserve

The regional currencies weakened significantly against US Dollar during the period under review as shown below. This increased the foreign currency translation loss by US$23.3 million.

Closing FX Rate USD 1 to	IDR	MYR	SGD	PHP
30 September 2015	14,657	4.3964	1.4225	46.9260
31 December 2014	12,436	3.4950	1.3212	44.6170

Note 6 - Key Ratios

	30-Sep-15	31-Dec-14
Current ratio	**2.19**	2.32
Average Inventory Days	**86**	74
Average Receivable Days	**63**	57
Average Payable Days	**37**	39
Return on Equity (Excluding Exceptional Item)	**7.3%**	17.1%

The Group's inventory level at 30 September 2015 was lower by US$9.6 million compared to 31 December 2014. However, Inventory Days were higher due to a slower off-take in Indonesia as well as higher cost of finished goods during the period under review.

Average Receivable Days edged up due mainly to a higher proportion of Regional Markets sales which have longer trading terms. Sales in the Regional Markets as percentage of total sales for 9M 2015 was 30.7% versus FY2014's 27.5%.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

	Group		Company	
	30-Sep-15	31-Dec-14	**30-Sep-15**	31-Dec-14
	US$'000	US$'000	**US$'000**	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**16,829**	25,499	**89**	134
- Unsecured	**51,744**	39,307	**-**	5
	68,573	64,806	**89**	139
Amount repayable after one year				
- Secured	**1,691**	3,173	**267**	399
- Unsecured	**9,106**	6,031	**-**	-
	10,797	9,204	**267**	399

Details of collateral

Of the Group's total bank borrowings as at 30 September 2015, US$18.5 million (2014: US$28.7 million) are secured on inventories, property, plant and equipment and building of certain subsidiaries of the Group.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Period ended 30-Sep-15	Period ended 30-Sep-14
		US$'000	US$'000
Cash flows from operating activities			
Total profit		**(5,541)**	36,386
Adjustments:			
Income tax expense		**10,328**	15,176
Depreciation and amortisation		**5,773**	5,866
Property, plant and equipment written off		**126**	19
Gain on disposal of property, plant and equipment		**(1,435)**	(154)
Exceptional item		**20,031**	-
Interest (income)		**(1,596)**	(1,231)
Interest expense		**3,000**	2,329
Fair value (gains)/losses on derivatives		**(79)**	18
Share of profit from associated companies		**(308)**	(335)
Operating cash flow before working capital changes		**30,299**	58,074
Change in working capital			
Inventories		**9,594**	(4,225)
Trade and other receivables		**28,610**	20,226
Trade and other payables		**(22,687)**	(31,704)
Cash provided by operations		**45,816**	42,371
Interest received		**1,596**	1,231
Income tax paid		**(14,134)**	(17,442)
Net cash provided by operating activities		**33,278**	26,160
Cash flows from investing activities			
Purchases of property, plant and equipment	1	**(17,393)**	(22,917)
Payments for patents and trademarks		**(192)**	(213)
Payments for full and final settlement of dispute	para 8 page 20	**(38,800)**	-
Proceeds from disposal of property, plant and equipment		**1,492**	204
Net cash used in investing activities		**(54,893)**	(22,926)
Cash flows from financing activities			
Proceeds from bank borrowings		**14,336**	13,327
(Repayment of)/proceeds from trade finance		**(4,803)**	2,149
Repayment of bank borrowings		**(2,967)**	(619)
Repayment of lease liabilities		**(3,944)**	(3,033)
Interest paid		**(3,014)**	(2,343)
Dividends paid to equity holders of company		**(34,202)**	(38,387)
Net cash used in financing activities		**(34,594)**	(28,906)
Net decrease in cash and cash equivalents		**(56,209)**	(25,672)
Cash and cash equivalents			
Beginning of financial year		**149,212**	177,781
Effects of currency translation on cash and cash equivalents		**1,774**	1,186
End of financial year		**94,777**	153,295

Notes
1. In 9M 2015, the amount excludes addition of property, plant and equipment of US$0.9 million (9M 2014: US$8.0 million) that were financed by lease liabilities.

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Period ended	
	30-Sep-15	30-Sep-14
	US$'000	US$'000
Cash and bank balances	**26,201**	55,487
Short term deposits	**96,372**	112,995
Less: Bank overdrafts	**(27,796)**	(15,187)
	94,777	153,295

Consolidated Statement of Comprehensive Income

	3Q ended 30 September		9M ended 30 September	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
(Loss)/profit for the period	**(20,695)**	10,559	**(5,541)**	36,386
Other comprehensive (loss)/income:				
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve				
- Currency translation differences arising from Consolidation	**(13,259)**	(3,627)	**(23,361)**	120
Items that will not be reclassified to profit or loss:				
Defined pension benefits obligation				
- Share of other comprehensive loss of associated companies	**(1)**	-	**52**	-
Other comprehensive (loss)/income, net of tax	**(13,260)**	(3,627)	**(23,309)**	120
Total comprehensive (loss)/income for the year	**(33,955)**	6,932	**(28,850)**	36,506
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(33,951)**	6,889	**(28,826)**	36,545
Non-controlling interest	**(4)**	43	**(24)**	(39)
	(33,955)	6,932	**(28,850)**	36,506

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company							
	Share capital	**Foreign currency translation reserve**	**General reserve**	**Defined pension benefits obligation**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1H 2015								
Balance at 1 January 2015	155,951	(45,677)	2,072	(70)	184,907	297,183	143	297,326
Profit for the period	-	-	-	-	15,171	15,171	(17)	15,154
Other comprehensive (loss)/income for the period	-	(10,099)	-	53	-	(10,046)	(3)	(10,049)
Final and special dividend relating to 2014	-	-	-	-	(21,757)	(21,757)	-	(21,757)
Balance at 30 June 2015	155,951	(55,776)	2,072	(17)	178,321	280,551	123	280,674
3Q 2015								
Balance at 1 July 2015	155,951	(55,776)	2,072	(17)	178,321	280,551	123	280,674
Profit for the period	-	-	-	-	(20,697)	(20,697)	2	(20,695)
Other comprehensive loss for the period	-	(13,253)	-	(1)	-	(13,254)	(6)	(13,260)
Interim and special dividend relating to 2015	-	-	-	-	(12,445)	(12,445)	-	(12,445)
Balance at 30 September 2015	155,951	(69,029)	2,072	(18)	145,179	234,155	119	234,274

	Attributable to equity holders of the Company							
	Share capital	Foreign currency translation reserve	General reserve	Defined pension benefits obligation	Retained earnings	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1H 2014								
Balance at 1 January 2014	155,951	(42,877)	1,987	528	174,596	290,185	201	290,386
Profit for the period	-	-	-	-	25,911	25,911	(84)	25,827
Other comprehensive income for the period	-	3,745	-	-	-	3,745	2	3,747
Final and special dividend relating to 2013	-	-	-	-	(24,996)	(24,996)	-	(24,996)
Balance at 30 June 2014	155,951	(39,132)	1,987	528	175,511	294,845	119	294,964
3Q 2014								
Balance at 1 July 2014	155,951	(39,132)	1,987	528	175,511	294,845	119	294,964
Profit for the period	-	-	-	-	10,514	10,514	45	10,559
Other comprehensive loss for the period	-	(3,625)	-	-	-	(3,625)	(2)	(3,627)
Interim and special dividend relating to 2014	-	-	-	-	(13,391)	(13,391)	-	(13,391)
Balance at 30 September 2014	155,951	(42,757)	1,987	528	172,634	288,343	162	288,505

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company		
	Share capital	**Retained earnings**	**Total equity**
	US$'000	US$'000	US$'000
The Company			
1H 2015			
Balance at 1 January 2015	155,951	33,640	189,591
Profit for the period	-	5,845	5,845
Final and special dividend relating to 2014	-	(21,757)	(21,757)
Balance at 30 June 2015	155,951	17,728	173,679
3Q 2015			
Balance at 1 July 2015	155,951	17,728	173,679
Profit for the period	-	(4,408)	(4,408)
Interim and special dividend relating to 2015	-	(12,445)	(12,445)
Balance at 30 September 2015	155,951	875	156,826
The Company			
1H 2014			
Balance at 1 January 2014	155,951	40,914	196,865
Profit for the period	-	23,424	23,424
Final and special dividend relating to 2013	-	(24,996)	(24,996)
Balance at 30 June 2014	155,951	39,342	195,293
3Q 2014			
Balance at 1 July 2014	155,951	39,342	195,293
Profit for the period	-	650	650
Interim and special dividend relating to 2014	-	(13,391)	(13,391)
Balance at 30 September 2014	155,951	26,601	182,552

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For 3Q and 9M ended 30 September 2015, there was no change in the Company's issued and paid up share capital.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors' report (including qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company and the Group have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2014, except for the adoption of following accounting standards (including their consequential amendments) and interpretations applicable for financial period on or after 1 July 2014.

FRS 103	Business Combinations
FRS 108	Operating Segments
FRS 24	Related Party Disclosures
Amendments to FRS19	Employee Benefits - Defined Benefit Plans: Employee contribution

The adoption of the above new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group and of the Company but will require more disclosures in the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		3Q ended 30 September		9M ended 30 September	
		2015	2014	**2015**	2014
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Including exceptional item	**(3.39)**	1.72	**(0.90)**	5.96
	- Excluding exceptional item	**(0.20)**	1.72	**2.37**	6.15
(ii)	On a fully diluted basis - (US cents)				
	- Including exceptional item	**(3.39)**	1.72	**(0.90)**	5.96
	- Excluding exceptional item	**(0.20)**	1.72	**2.37**	6.15

Notes

1. Basic Earnings per Share is computed based on 611,157,000 shares.
2. There are no potentially dilutive ordinary shares as at 30 September 2015 and 30 September 2014 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-15	31-Dec-14	**30-Sep-15**	31-Dec-14
Net asset value per ordinary share based on issued share capital - (US cents)	**38.3**	48.6	**25.7**	31.0

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Key Figures for the Group (unaudited)

	3Q ended 30 September				**9M ended 30 September**			
	2015	2014	% Change		**2015**	2014	% Change	
	US$'000	US$'000	In USD term	In constant exchange rate	**US$'000**	US$'000	In USD term	In constant exchange rate
Indonesia	**57,092**	85,048	(32.9)	(21.2)	**211,817**	269,488	(21.4)	(12.4)
Regional Markets	**27,480**	33,113	(17.0)	(4.4)	**94,041**	103,243	(8.9)	(1.3)
REVENUE	**84,572**	118,161	(28.4)	(16.5)	**305,858**	372,731	(17.9)	(9.3)
Indonesia	**4,752**	17,791	(73.3)	(65.2)	**31,891**	59,461	(46.4)	(39.1)
Regional Markets	**(471)**	(115)	309.6	187.0	**103**	204	(49.7)	25.3
EBITDA	**4,281**	17,676	(75.8)	(66.9)	**31,994**	59,665	(46.4)	(38.9)
Profit before tax before exceptional item	**2,081**	15,125	(86.2)	(78.4)	**24,818**	52,703	(52.9)	(46.0)
Exceptional item	**(19,475)**	-	NM	NM	**(20,031)**	(1,141)	NM	NM
(Loss)/profit before tax after exceptional item	**(17,394)**	15,125	NM	NM	**4,787**	51,562	(90.7)	(83.6)
Net (loss)/profit attributable to shareholders	**(20,697)**	10,514	NM	NM	**(5,526)**	36,425	NM	NM

Key performance indicators

	3Q ended 30 September			**9M ended 30 September**		
	2015	2014	%	**2015**	2014	%
Gross profit margin	**28.4%**	31.7%	(3.3% pt)	**29.4%**	31.9%	(2.5% pt)

Review of the Group's 3Q 2015 and 9M 2015 Financial Performance

Figure 1 - Key Financial Highlights

(In US$ Million)	3Q 2015	3Q 2014	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *	9M 2015	9M 2014	% chg Y-o-Y	% chg Y-o-Y in Constant Exch Rates *
Indonesia	57.1	85.1	(32.9%)	(21.2%)	211.8	269.5	(21.4%)	(12.4%)
The Regional Markets	27.5	33.1	(17.0%)	(4.4%)	94.1	103.2	(8.9%)	(1.3%)
Total Revenue	**84.6**	**118.2**	**(28.4%)**	**(16.5%)**	**305.9**	**372.7**	**(17.9%)**	**(9.3%)**
Gross Profit Margin (%)	28.4%	31.7%	(3.3% pt)	(3.3% pt)	29.4%	31.9%	(2.5% pt)	(2.5% pt)
EBITDA	**4.3**	**17.7**	**(75.8%)**	**(66.9%)**	**32.0**	**59.7**	**(46.4%)**	**(38.9%)**
PATMI**	**(1.2)**	**10.5**	**NM**	**NM**	**14.5**	**37.5**	**(61.4%)**	**(54.7%)**

Note: * For comparative purposes only, this shows the effect of using the respective exchange rates of the regional currencies in 3Q 2014 and 9M 2014 in translating 3Q 2015 and 9M 2015 results.
** Exclude Exceptional Item.

The Group's lower Y-o-Y performance mainly reflected the slowdown in the Indonesian economy in 3Q and 9M 2015 and the continued weakening of the Indonesian Rupiah ("Rupiah") over the periods. The slowing Indonesian economy resulted in consumption weakening across a number of consumer categories (including chocolate confectionery). As a result, our trade customers have reacted to reduce their orders and inventory levels which negatively affected our sales.

In addition to the lower sales, our profit performance was further affected by increases in our costs of raw and packaging materials due to the weaker Rupiah. For 9M 2015, the Rupiah weakened by 11.4% against the US Dollar, with Rupiah weakening to a level of IDR 14,657 at end-September 2015 (the lowest level in 17 years). In order to encourage consumption of our products and to develop our strategic brands higher trade promotion expense was incurred in 3Q 2015.

In 3Q 2015, the Group's EBITDA of US$4.3 million in the Group's US Dollar reporting currency was lower Y-o-Y by 75.8% as a result of the lower sales and lower gross profit margin and high selling and distribution costs as a percentage of sales. To mitigate the higher input costs, pricing adjustments and product resizing for selected products in Indonesia were implemented in 3Q 2015, although the benefit of these measures did not take full effect until September 2015.

The lower operating performance together with a higher tax expense, due to a withholding tax of US$2.3 million incurred on dividends and royalty income received, resulted in the Group incurring a loss after tax and minority interests of US$1.2 million from its operations.

In addition, the Group recognized a one-time exceptional charge of US$19.4 million resulting from the settlement of the dispute with Barry Callebaut which was previously announced on 28 August 2015. As a result, the Group reported a loss after tax and minority interests of US$20.7 million in 3Q 2015.

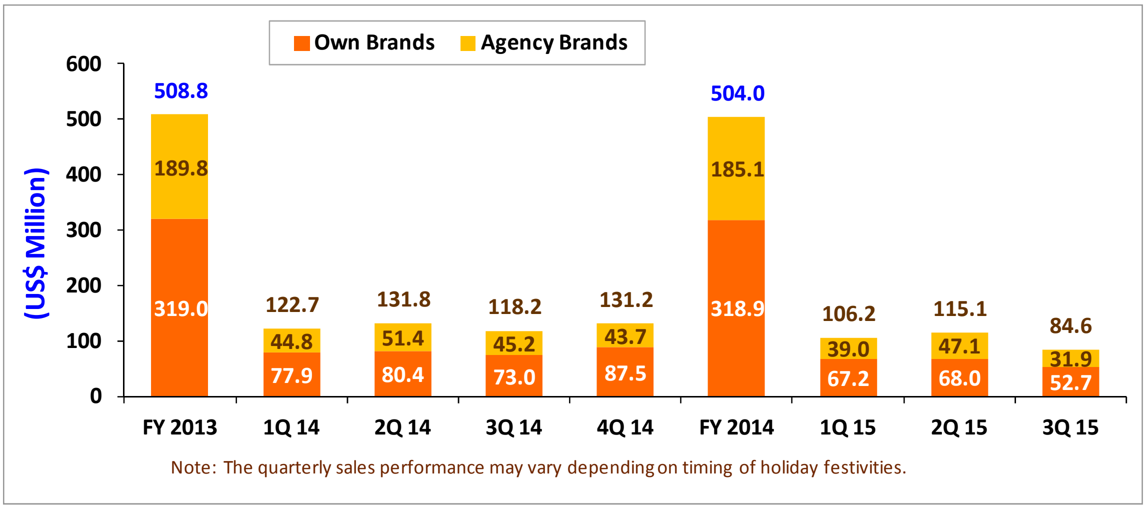
Despite the headwinds for our business, especially in Indonesia, the Group generated Free Cash Flow of US$16.0 million for 9M 2015 through tighter working capital management and our strategy of focusing capital expenditure on the most critical and immediately income generating projects.

Performance review of Own Brands and Agency Brands

For 3Q and 9M 2015, Own Brands sales continued to be a major contributor to the Group's business, forming more than 60% of the Group's revenue. Over the years, our portfolio of Own Brands has progressively expanded and today extends into the categories of chocolate confectionery, biscuits and wafers, breakfast, baking and beverages.

In local currency terms, our Own Brands sales in the Philippines achieved strong double digit growth although with the lower than expected sales in Indonesia, this resulted in overall Own Brands sales lower by 16.9% and 10.7% Y-o-Y in 3Q 2015 and 9M 2015 respectively. The weaker economy in Indonesia had impacted consumer spending in 2015, but management believes that this is not specific to the Company's product range.

Figure 2 - Own Brands & Agency Brands Revenue Performance (Quarterly and Full Year)



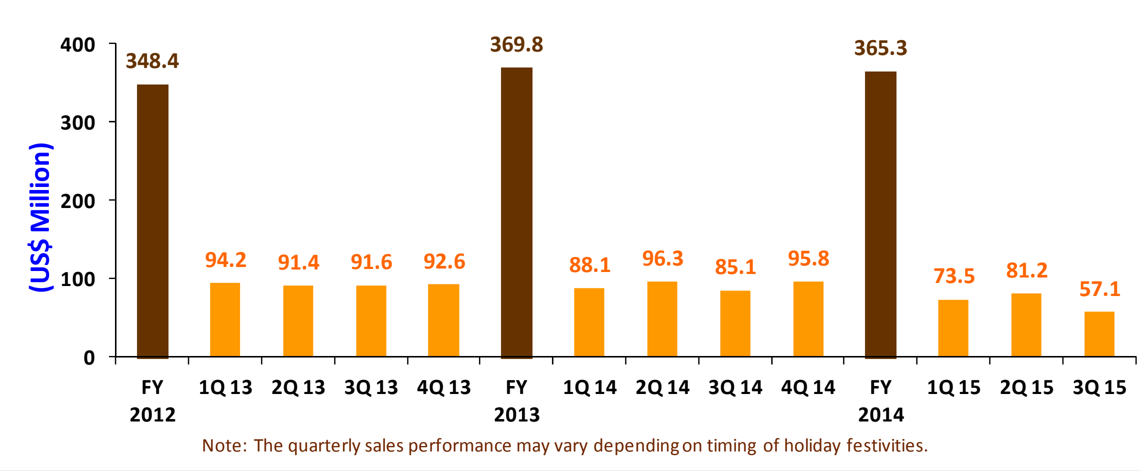
For 3Q and 9M 2015, Agency Brands sales in local currency terms were lower Y-o-Y by 15.9% and 7.1% Y-o-Y respectively. The lower Agency Brands sales was attributable to lower sales achieved in Indonesia in 3Q 2015, the strategic initiative taken in 2014 to discontinue some of the less profitable Agency Brands and the closure of its Singapore distribution business. The performance of Agency Brands sales, if excluding those discontinued Agency Brands and operation, would be lower by 4.2% Y-o-Y in 3Q 2015 and higher Y-o-Y by 3.8% in 9M 2015.

Performance Review by Markets

Indonesia

The slowdown in the Indonesian economy, coupled with the high inflation environment and the weakness in the Rupiah over the first nine months of FY2015 continued to dampen consumer spending in Indonesia.

Figure 3 - Indonesia's Revenue Performance (Quarterly and Full Year)



With the weak economic and consumption environment in Indonesia, overall sales generated by our business in Indonesia was lower by 32.9% and 21.4% Y-o-Y in 3Q and 9M 2015 respectively in the Group's US Dollar reporting currency. Although from a local currency perspective, which is more representative of the fundamental underlying performance of the business, overall sales was lower by 21.2% and 12.4% for 3Q 2015 and 9M 2015 respectively.

For the comparison of quarter on quarter performance, it should be highlighted that the run up to the Muslim Lebaran (which is a major festival in Indonesia) was in 2Q 2015 this year. Hence, the higher sales achieved in 2Q 2015 compared to 3Q 2015's.

Despite the challenging environment and against the background of intensifying competition in Indonesia in the 9M 2015 period, our market share remains above 50%. We will continue to accelerate innovation for Own Brands as this remains a key priority for us and our objective is to reach many more consumers by developing innovative products that will address different consumer needs at different price points. In addition, to position our business for long term success, we will continue to implement a number of significant initiatives which include increased brand building investments into our major brands as well as investments to strengthen our route-to-market capabilities.

The Regional Markets

For our regional markets, 3Q and 9M 2015 revenues were lower by 17.0% and 8.9% respectively in the Group's US Dollar reporting currency. However, in local currency terms and excluding the discontinued Agency Brands and the cessation of the Singapore distribution business, Y-o-Y growth of 15.5% and 14.6% respectively was achieved.

The strongest rate of growth was in the Philippines with our portfolio of Own Brands growing by strong double digit in 9M 2015. This reflects the strong returns from all the investments (including brand development programmes) we have made to strengthen our brands portfolio (comprising mainly the *Goya* and *Knick Knacks* brands) and our route-to-market. Our brands portfolio continues to be strengthened through aggressive brand development programmes and new product launches with extension into other chocolate categories.

As announced on 10 June 2015, the Group ceased its distribution business in Singapore due to the relatively small scale which the business had been able to achieve. The decision to exit the business in Singapore will however not detract from our objective of continuing to grow the presence of our Own Brands of chocolate confectionery in the Singapore market which has been achieved through the appointment of a distributor.

The decision to exit the Singapore distribution business relates only to the distribution market in Singapore and is not a change in the Group's overall strategy. The distribution business will remain as a core part of our business strategy because with the scale we have in our key markets of Indonesia, Philippines and Malaysia, the complementary nature of our Own Brands together with the Agency Brands allows us to gain significant shelf space.

Review of Profitability

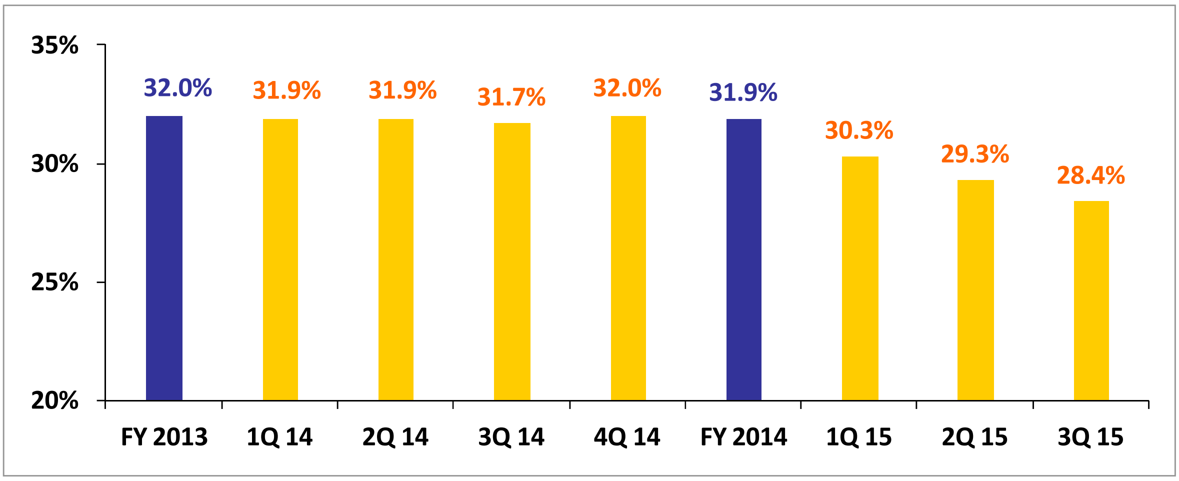
On the back of the revenues of US$84.6 million in 3Q 2015, the Group generated EBITDA of US$4.3 million (lower Y-o-Y by 75.8%) and a net loss of US$1.2 million (before the exceptional item of US$19.5 million) in the Group's US Dollar reporting currency. From a local currency perspective, for a comparison of the underlying performance of the business, 3Q 2015 EBITDA is lower by 66.9%.

The lower profitability from operations can be attributed mainly to the lower sales and gross profit margin in Indonesia. The 3Q 2015 Gross Profit margin of 28.4% (lower Y-o-Y by 3.3% point) reflects higher raw material costs arising from weakness in regional currencies (especially the Rupiah), lower sales volume and higher trade promotional activities. To mitigate the high input costs, pricing adjustments and product resizing for selected products in Indonesia were implemented in 3Q 2015, although the benefit of these measures did not take full effect until September 2015.

For Own Brands, our ongoing strategy to tackle higher input costs includes a combination of the following: proactive price adjustments and product rightsizing, launch of higher margined new products and cost containment initiatives. In addition, the strategy of buying forward our main raw material requirements in a timely manner serves to lock-in forward costs to a major extent thus providing greater cost visibility and margin stability. In addition, we will continue to drive higher sales volume and increase efficiency and reduce costs in the supply chain.

For 3Q 2015, selling and distribution costs remained high (as a percent of the Group's sales) on increased logistics costs (especially in Indonesia) and as a result of continued investments in our brand building initiatives and as we strengthened our route-to-market capabilities. The latter is necessary as we continue to strengthen our infrastructure to support the Group's long term growth.

Figure 4 - Gross Profit Margin (Quarterly and Full Year)



Note:
* It should be highlighted that quarterly margins achieved may vary depending on composition of sales mix, both within Own Brands and mix of Own Brands and Agency Brands.

Update on the dispute with Barry Callebaut

On 28 August 2015, the Company announced that it had entered into a Settlement Agreement with Barry Callebaut with regards to the dispute and resulting arbitration (as previously announced) with Barry Callebaut.

The dispute pertained to the sale of the Company's Cocoa Ingredients business to Barry Callebaut which was completed on 30 June 2013 and for which Barry Callebaut had subsequently sought a price adjustment of US$103 million.

Under the settlement, the Company and Barry Callebaut agreed, among other things, to fully and finally settle the dispute and discontinue the arbitration, without any admission of liability by the Company or Barry Callebaut.

As part of the settlement, the Parties mutually agreed that Petra Foods will pay a sum of US$38 million plus interest of US$0.8 million as an adjustment to the closing price and in consideration of full and final settlement of all claims.

After taking into account this settlement, the Company's overall pre-tax gain on the sale of the Cocoa Ingredients business previously reported as US$67.6 million now amounts to US$46.1 million.

Notification of Tax Claims

As announced on 24 February 2015, pursuant to the SPA on 30 June 2013, the Company and Barry Callebaut entered into a Tax Deed of Covenant ("**Tax Deed**"). Under the Tax Deed, Barry Callebaut is required to notify the Company of any claim for taxation which could give rise to a liability after completion of the sale of the Cocoa Ingredients business to Barry Callebaut. Barry Callebaut has notified the Company of various claims from the Brazil tax authorities against Delfi Cacau Brazil Ltda, which Barry Callebaut purchased as part of the sale of the Cocoa Ingredients business, which are:

1. A claim of Brazilian Real ("BRL") 18,588,593.72 in connection with a tax assessment of the "Social Integration Program/Public Employee Savings Program" and the "Contribution for the Financing of Social Security";
2. A claim of BRL 227,440.04 for unpaid import tax arising from the import of a bean roaster; and
3. A claim of BRL 15,643,285.54 for unpaid tax duties arising from the import of cocoa beans.

The claims amount to BRL 34,459,319.30 (which at present exchange rates is equivalent to US$9.1 million) in total.

While reserving its rights in relation to the notifications, the Company has requested Barry Callebaut to defend these claims. The management believes that there are grounds to resist these claims and, therefore, no provision has been made.

Review of Financial Position and Cash Flow

Balance Sheet as at	**30-Sep-15**	31-Dec-14	Change
	US$'000	US$'000	US$'000
Cash and cash equivalent	**122,573**	171,953	**(49,380)**
Total Assets	**378,200**	470,492	**(92,292)**
Borrowings	**79,370**	74,010	**5,360**
Shareholders' Equity	**234,155**	297,183	**(63,028)**
Current ratio	**2.19**	2.32	

As at 30 September 2015, the Group's cash balance totalled US$122.6 million which comprised mainly the sales proceeds received from the divestment of its Cocoa Ingredients business on 30 June 2013. This cash balance was after payment of US$38.8 million to Barry Callebaut as part of the settlement (see paragraph 8 page 20) and total interim, final and special dividends payouts of US$34.2 million (see paragraph 1(d)(i) page 10). The special dividend paid enabled the Group to achieve a more efficient capital structure by distributing some of the sales proceeds to its shareholders.

During 3Q 2015, the regional currencies such as the Rupiah and the Ringgit weakened further against the US Dollar. As a result, this increased foreign translation loss by US$23.3 million (see paragraph 1(b)(i) on page 5). The foreign translation loss coupled with the dividends paid and exceptional charge (see paragraph 1(a) Note 3 on page 3) reduced shareholders' equity by US$63.0 million to US$234.2 million.

Although capital expenditure of US$18.3 million was invested in 9M 2015 to support the Group's long term growth (see paragraph 1(b)(i) Note 3 on page 6), the Group's property, plant and equipment was lower by US$5.2 million to US$105.9 million as a result of translation into the Group's US Dollar reporting currency. For its capital expenditure programme, the Group's strategy is to focus on the most critical and immediately income generating projects.

Compared to the balances at end-2014, accounts receivables and inventories were lower by US$23.8 million and US$9.6 million respectively. The lower working capital translated into higher operating cash flow (see paragraph 1(c) page 8) which allowed the Group to generate free cash flow and fund part of its capital expenditure. As a result, total assets was reduced by US$92.3 million to US$378.2 million.

Total borrowing was higher by US$5.4 million to US$79.4 million as a result of higher Rupiah denominated long term loan and working capital facilities utilized to fund the Group's operations and capital expenditure in Indonesia (see paragraph 1(b)(i) Note 4 page 6). This is part of the Group's strategy to extend its debt maturity profile to match its financing and investment needs and minimize its foreign exchange risk through matching borrowings with functional currency revenue.

The Group's current financial position places it in a strong position to seize growth opportunities in the fast growing regional consumer markets.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The significant weakening of Rupiah and worsening of overall weakening economic sentiment, especially in the third quarter 2015 resulted in a sharper than expected slowdown in consumer spending and reduction of inventory levels in the chocolate confectionary supply chain. Our 3Q 2015 and 9M results are, therefore, below the expectations which had been indicated in Paragraph 10 of the Group's "2Q and 1H 2015 Unaudited Financial Statement and Dividend Announcement" dated 13 August 2015.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For FY2015, we expect the Group's performance to be affected by the challenging operating environment in Indonesia, the volatility in regional currencies and raw material costs. We anticipate we may need to increase prices on the back of further pressure on the Rupiah that will increase our raw material costs and keep our margins under pressure. It is unclear at this stage how prolonged the present economic and currency weakness in Indonesia will be but, barring unforeseen circumstances, we expect the Group's operations for FY2015 to remain profitable although lower Y-o-Y. 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 highlight that the exceptional item of U$19.5 million recognized in 3Q 2015 will be an additional drag on the Group's FY2015 performance.

To sustain profitable growth over the longer term, we are taking actions to further strengthen our business to capture the significant growth opportunities. These include ensuring our organization is efficiently aligned to our growth plans; investing to grow our key brands in our markets; and taking measured steps to strengthen our distribution infrastructure. We will prudently invest to build capacity and capabilities where there are clear expansion opportunities and we will also increase our productivity and efficiency targets in our manufacturing and distribution infrastructure. In addition, we will further strengthen the Group's cash flow generation through tighter working capital management and focused capital expenditures.

We believe our geographic and product portfolio position us well for future growth. Over the long term, the consumption environment in our regional markets will continue to be supported by the robust economies and the fast growing middle income classes. 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 to new categories if these opportunities meet our investment criteria.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? No

c. Date payable

Not applicable.

d. Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for 3Q 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has obtained a general mandate ("Shareholders' Mandate") from its shareholders for the Group's IPTs with the following interested persons. The Shareholders' mandate was approved at the Annual General Meeting ("AGM") of the Company held on 28 April 2015 and will be effective until the next AGM. The aggregate value of transactions conducted pursuant to the general mandate is as follows:

	[1] **Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual**	
	3Q 2015	**9M 2015**
	US$'000	US$'000
PT Freyabadi Indotama		
- Sales of goods	19	107
- Purchase of products	3,406	11,744
	3,425	**11,851**
PT Fajar Mataram Sedayu		
- Purchase of goods	154	437
PT Sederhana Djaja		
- Lease of properties	8	24
	3,587	**12,312**

14. Negative confirmation pursuant to Rule 705(5)

On behalf of the Board, we, directors of the Company, Mr Chuang Tiong Choon and Mr Chuang Tiong Kie, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Group for the 3rd Quarter and 9 Months ended 30 September 2015 to be false or misleading.

BY ORDER OF THE BOARD

Madelyn Kwang Yeit Lam/Evelyn Chuang
Secretaries

12 November 2015