

## FOR IMMEDIATE RELEASE

The initial public offering of the shares of Petra Foods Limited was sponsored by ABN AMRO Rothschild.

## Petra Foods' 1Q05 net profit soars 36% to US\$5.7 million

- ***Both Cocoa Ingredients and Branded Consumer businesses record double digit growth in revenue***

Financial Highlights (US\$m)	3 mths ended 31 Mar 2005	3 mths ended 31 Mar 2004	% Change
Revenue	110.8	95.0	+17
Profit Before Tax	7.1	5.1	+38
Net Profit	5.7	4.2	+36
EBITDA	10.5	9.2	+13

**SINGAPORE – 11 May 2005 – Petra Foods Limited** (“Petra Foods” or the “Group”), one of the world’s major manufacturers and suppliers of cocoa ingredients and branded consumer confectionary products, has kicked off its new financial year with strong growth for the first quarter.

For the three months ended 31 March 2005, net profit rose 36% to US\$5.7 million on the back of a 17% increase in revenue to US\$110.8 million. EBITDA was up 13% to US\$10.5 million, from US\$9.2 million in the year-ago period.

This sterling set of results was boosted mainly by the buoyant Indonesian chocolate consumption market and strong demand for cocoa ingredients from major international food and beverage customers.

Mr John Chuang, Chief Executive of Petra Foods said, "The robust growth registered by the Group demonstrates the underlying strength of our business. The increasing consumption of chocolate confectionery products in Asia and our ability to meet the stringent requirements of our customers in the food and beverage industry have allowed us to generate solid earnings for the quarter. "

### ***Strong Performance from both operating divisions***

#### **Cocoa Ingredients Division**

Revenue for the ***Cocoa Ingredients Division*** rose 19% to US\$81.4 million as the Group continued to witness strong demand for higher valued products from its major international food and beverage customers. Sales volume grew 2.9% to 26,363 metric ton while the average selling price rose 16% as a result of higher cocoa bean prices.

The combination of higher sales volume and EBITDA yield achieved has resulted in a 25% increase in EBITDA to US\$5.9 million. The stronger than expected demand for higher value products has also enabled the 6-month average EBITDA/metric ton to increase 21% to US\$221.

#### **Branded Consumer Division**

Despite the weakness of the Indonesian Rupiah against the US dollar in the period under review, sales from the ***Branded Consumer Division*** increased 11% to US\$29.4 million as the Group continued to leverage on its dominant brand position and established distribution network to penetrate the Indonesian market. In local currency terms, the division's revenue growth was 21%.

Although the gross profit ("GP") margin registered a slight dip of 0.8 percentage points brought about by higher raw material costs, this division still maintained a relatively high GP margin of 31%.

Profit from operations grew by 1.8% to US\$3.9 million, however in local currency, growth was 11%.

Added Mr Chuang, "We are constantly reviewing and improving on our cost management policy. Coupled with the price hike for our chocolate products in February 2005, we expect the margins for the Branded Consumer Division to remain fairly stable."

The Group's financial position has also improved significantly. Bank borrowings dropped by 15.2% to US\$84.2 million as at 31 March 2005, compared to US\$99.3 million as at 31 December 2004. This has also correspondingly improved the Group's gearing from 55.9% to 54.3%. The adjusted net debt equity (borrowings excluding trade finance) ratio also dropped from 31.3% to 29.5%.

### **Outlook for FY2005**

Going forward, the Group remains upbeat about the growth momentum for both its **Cocoa Ingredients** and **Branded Consumer Divisions**.

The right mix of business – chocolate confectionery products and cocoa ingredients – firmly positions the Group to benefit from the rising chocolate consumption in Asia and the increasing outsourcing trend of cocoa processing by global chocolate manufacturers.

"Moving forward, we will continue to leverage on our existing strong market position for chocolate confectionery products in Indonesia to grow our non-Indonesian businesses, principally in Asia. At the same time, we will focus on strengthening our global position within the cocoa ingredients market by attracting new customers," added Mr Chuang.

In March 2005, Petra Foods set up a joint venture company with Sime Darby to acquire the latter's consumer distribution business in Singapore. From a growth perspective, the JV will allow Petra Foods to gain access to Sime Darby's established distribution channels in Singapore and expand its distribution network for its chocolate confectionery products.

The Group also plans to use the recently-acquired Mexico and Brazil plants as a springboard to attract new business from the South America market, which is known to have a high rate of chocolate consumption.

“Barring any unforeseen circumstances, we are targeting a dividend payout of 40% for FY2005,” noted Mr Chuang.

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Statement by ABN AMRO Rothschild, the issue manager and the sponsor of the initial public offering of the shares of Petra Foods Limited (“the Company”):-

ABN AMRO Rothschild (being the unincorporated equity capital markets joint venture between ABN AMRO Bank N.V., Singapore branch, and N.M. Rothschild & Sons (Singapore) Limited, each trading as ABN AMRO Rothschild) acted as the Global Co-ordinator, Book runner and Lead Manager in respect of the initial public offering of ordinary shares of \$0.10 each in the capital of the Company which was completed on 5 November 2004.

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## **ABOUT PETRA FOODS LIMITED**

Listed on the SGX-ST since 5 November 2004, Petra Food Limited and its subsidiaries (“the Group”) is one of the world’s major manufacturers and suppliers for cocoa ingredients, namely cocoa powder, cocoa butter and cocoa liquor. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products, for which it is the market leader in Indonesia.

The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer**.

### ***Cocoa Ingredients Division***

The Group manufactures and sells cocoa ingredients, under the “Delfi” brand, to over 30 countries worldwide. Its major customers are international food and beverage companies such as Nestlé, Cadbury, the Mars Group, Arnott’s, A.B. Foods, Barry Callebaut and the Meiji Group.

### ***Branded Consumer Division***

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 include eight master brands and 19 key sub brands and manufactures over 300 stock keeping units. 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 well-known portfolio of third party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods has six cocoa processing facilities (located in Indonesia, Malaysia, the Philippines, Thailand, Brazil and Mexico), two chocolate confectionery production facilities (located in Indonesia and Malaysia) and a total staff strength of over 4,000.

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. More recently, it was named the "Enterprise of the Year 2004" by the 20<sup>th</sup> Singapore Business Awards on 30 March 2005.

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