

PETRA FOODS

L I M I T E D

(Registration no. 198403096C)

*4th Quarter and Full Year
2006 Financial Results*

(Unaudited)



Important note on forward-looking statements

The presentation herein may contain forward looking statements by the management of Petra Foods Limited (“Petra”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Petra. Therefore, the actual performance of Petra may differ significantly from expressions provided herein.

Scope of Briefing

- Address by CEO

- Review by Divisions
 - Cocoa Ingredients
 - Branded Consumer

- Financial Highlights & Indicators

- Outlook & Prospects

- Q & A

Address by Chief Executive Officer

- 2006 Executive Summary
- 2006 Financial Snapshot

FY 2006 Executive Summary

- 2006 revenues breached the US\$500 million level - Revenues grew strongly by 19% to US\$523 million
 - Both businesses benefited from our aggressive marketing initiatives and the healthy consumption trend globally
- Group EBITDA grew even stronger by 25% to US\$54.4 million - Led by a spectacular performance from Branded Consumer (+45.8%) with Cocoa Ingredients growing +9.7%
- At the net profit level, performance was equally strong - Full Year net profit after tax grew by 25% to US\$29.1 million
- ROE of 18% achieved for FY2006 - An increase of 1.5% pts
- Invested US\$30 million in capex for business expansion to generate long term growth
- Proposed final dividend of 1.03 US cents, bringing full year total to 2.04 US cents
 - Payout ratio at 40% of net profit before exceptional item - In line with prior year

Complementary earnings streams delivering strong growth

Branded Consumer Highlights

- An outstanding performance achieved in FY2006
- Full year revenue growth of 41.9% to almost US\$200 million and equally strong profit from operations growth through the execution of:

Strategy 1

Driving strong demand in the core Indonesian market

+26.9%
or +US\$32 million

- ❖ Brands
 - ✓ Product innovations and marketing initiatives further strengthened our dominant Brands
 - ✓ Strong demand for 'TOP' products and new products like 'SilverQueen Chunky Bar' and 'Funtime'
- ❖ Manufacturing
 - ✓ Doubled manufacturing capacity to 62,000 MT - additional scale and capability
- ❖ Distribution strength
 - ✓ Driving higher volume through the distribution pipeline - maximizing returns
 - ✓ Increased distribution reach - **Deeper:** stock points at end-2006 of 121 vs FY2005's 112
Broader: more products

Strategy 2

Extending the regional reach

+15.0%
or +US\$26 million

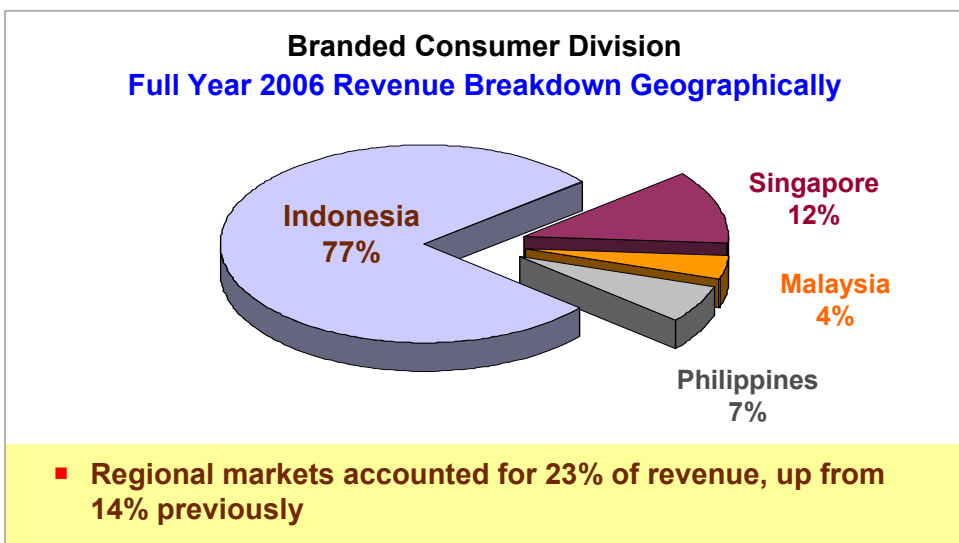
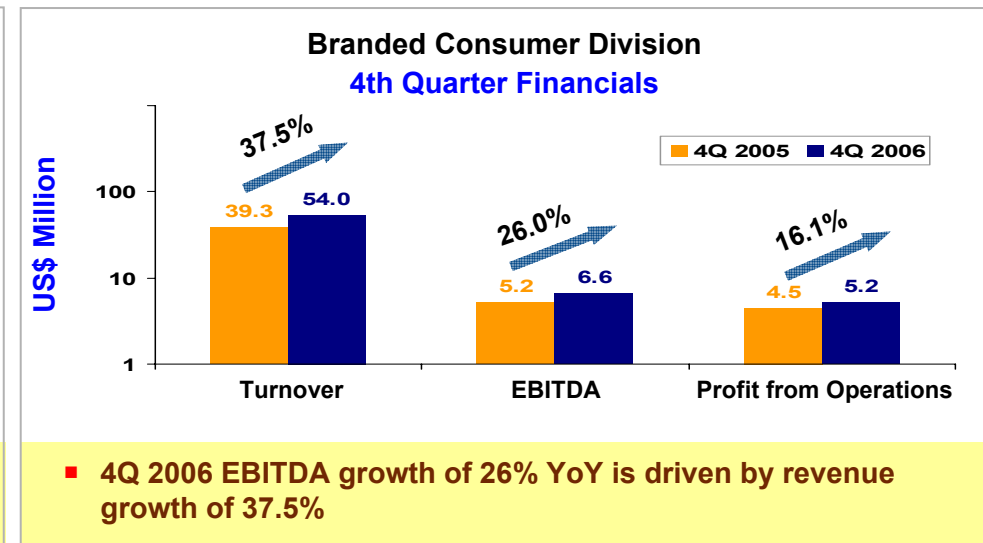
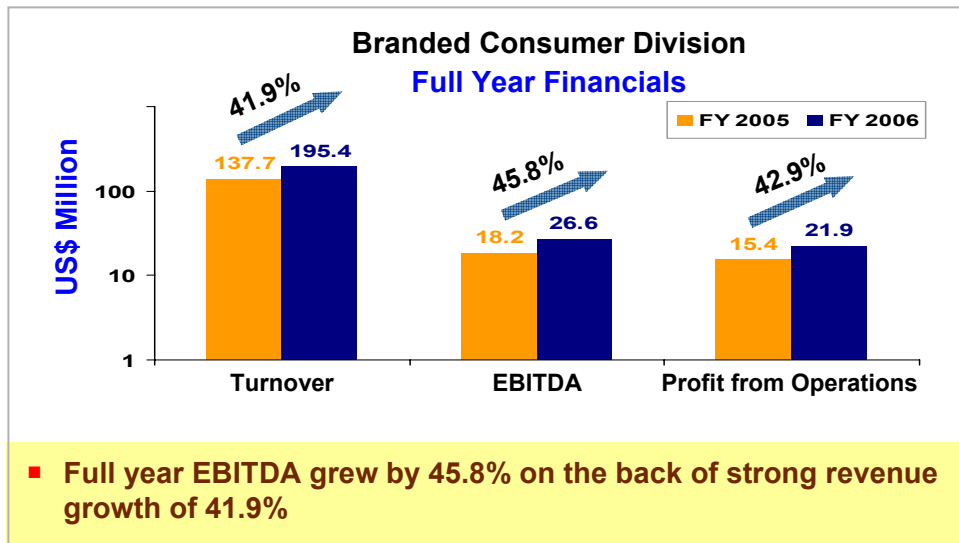
- ❖ Acquired Goya businesses in the Philippines
 - ✓ Heritage brands, existing businesses, distribution strength and manufacturing assets
 - ✓ Significantly accelerated market presence in South East Asia's 2nd largest chocolate confectionery market
- ❖ Increased regional contribution to 23% of revenue

Strategy 3

Driving more 3rd Party Brands through our regional pipeline

- ❖ Secured more 3rd party agencies in both core and regional markets

Branded Consumer Highlights (cont'd)



Cocoa Ingredients Highlights

- Achieved full year EBITDA growth of 9.7% to US\$27.8 million, on the back of strong sales volume growth of 19.2%
- Strategy for sustained growth through the execution of:

Strategy 1

Continually strengthening relationships with Core customers

- ❖ The Partner of Choice to all our customers
 - ✓ Continually delivering products synonymous with uncompromising quality and consistency to serve their growing requirements
 - ✓ Endeavour to serve their needs across different geographic boundaries
- ❖ Jointly develop products with them to further widen their finished products portfolio
 - ✓ Developing premium niche products - eg. specialty liquors for Japanese customers

Strategy 2

Broaden our market position globally

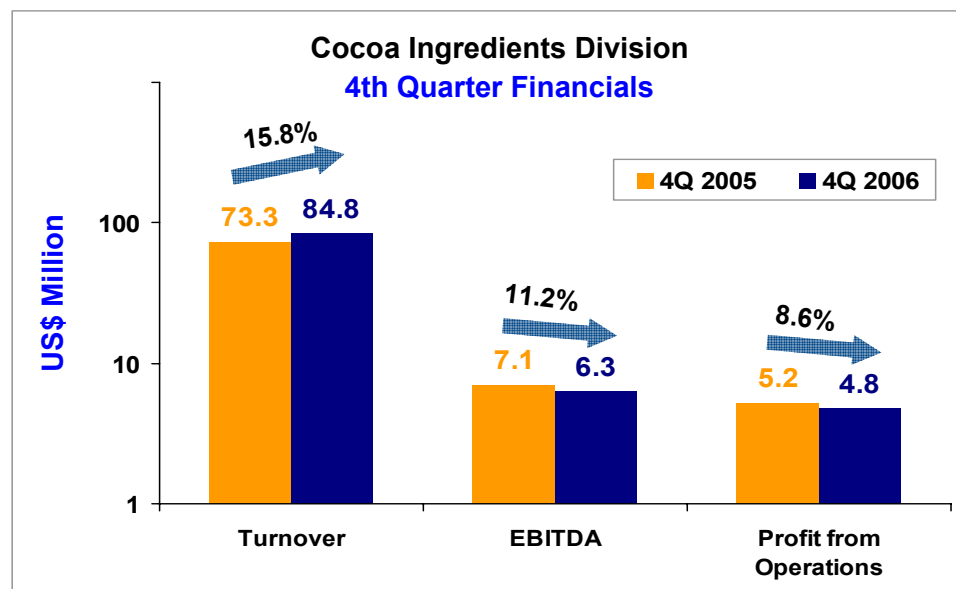
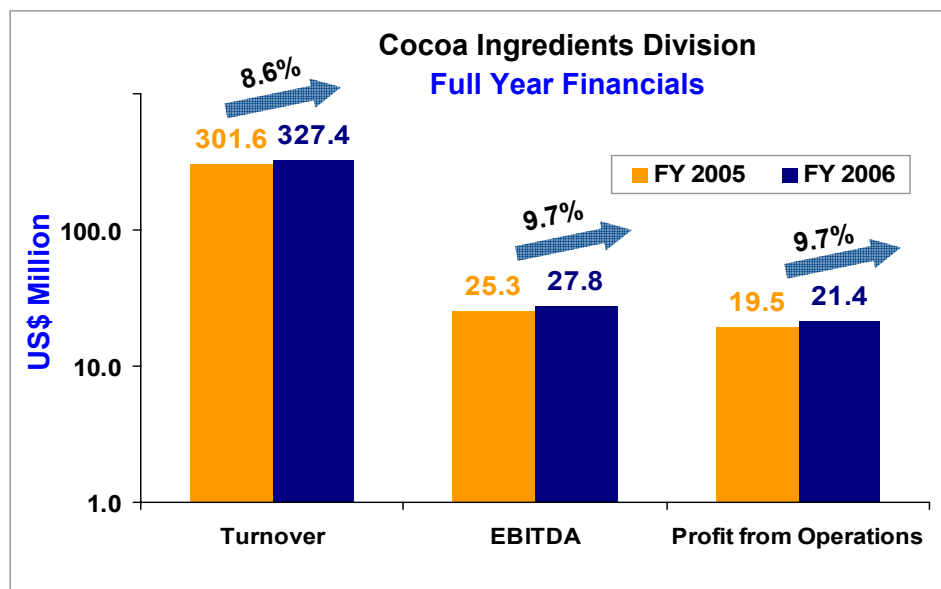
- ❖ Market building initiatives - Particularly in Latin America, the US and Eastern Europe
- ❖ Leveraging on the industry's outsourcing trend to build a global position
- ❖ Actively seeking opportunities to further grow market position

Strategy 3

Capacity expansion in line with demand

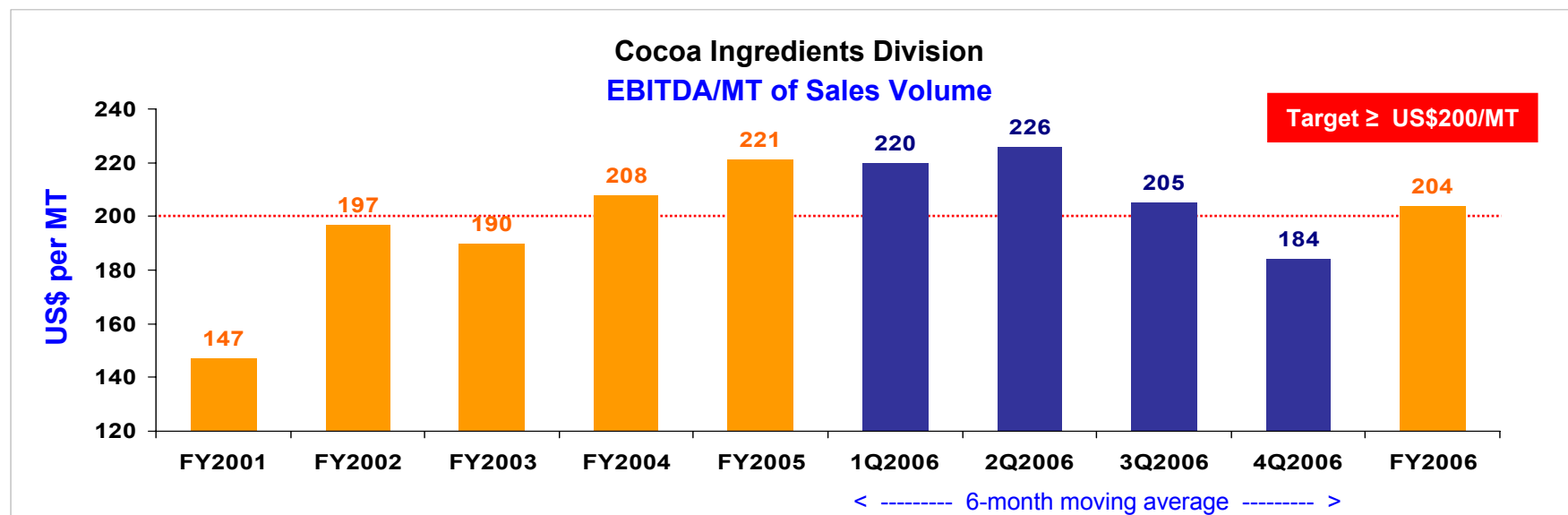
- ❖ Added 20,000 MT in 2006 to bring year end capacity to 240,000 MT
- ❖ Capacity addition of 20,000 MT in Brazil progressing as planned - Adding capacity in strategic location

Cocoa Ingredients Highlights (cont'd)



- Full year EBITDA of US\$27.8 million (+9.7%) - Volume growth of 19.2% and EBITDA yield of US\$204/MT
- The strong volume growth more than offset the lower 2H 2006 EBITDA yield per MT
- 4Q 2006 EBITDA is lower by 11.2% attributable to lower EBITDA yield of US\$184/MT
- Our long term target is EBITDA yield of US\$200/MT

Cocoa Ingredients Highlights (cont'd)



- Softer 2H 2006 EBITDA yield can be attributed to:
 - The initial phasing in of new capacity resulted in a change in product mix composition (in July 2006 another 20,000 MT was added bringing Group capacity to 240,000 MT);
 - The Group's new market development initiatives; and
 - A generally softer price environment in the lower to mid priced segment of the industry.







- Softer yield is expected to continue in 1H 2007. However there are signs of pricing improvements for 2H 2007

Financial Review by Chief Financial Officer

- Group Financial Highlights
- Analysis of Finance Costs
- Capital and Financing Strategies
- Impact of FRS 39
- Cash Flow Applications
- Balance Sheet Analysis

Financial Highlights & Indicators

Group Full Year Financial Highlights - At a glance





In US\$ Million	FY 2006	FY 2005	Change (%)
Sales	522.9	439.3	 19.0%
EBITDA	54.4	43.6	 24.8%
Finance Cost	(8.6)	(5.0)	 74.2%
Profit Before Tax And Exceptional Items	34.6	29.9	 15.7%
Profit After Tax (before Exceptional Items)	27.3	23.2	 17.5%
Exceptional Items	1.8	-	n/m
Profit After Tax	29.1	23.3	 25.3%

Growth powered by strong demand and consumption

Group Financial Highlights (cont'd)

	FY 2006	FY 2005	Change (%)
EPS			
<i>with Exceptional Items</i>	5.47 US cents	4.45 US cents	22.9%
<i>without Exceptional Items</i>	5.13 US cents	4.45 US cents	15.3%
ROE			
<i>with Exceptional Items</i>	18.0%	16.5%	1.5% pts
<i>without Exceptional Items</i>	16.9%	16.5%	0.4% pts
Capex (US\$ Million)	30.1	42.6	
Net Debt/Equity	0.67 x	0.54 x	
Adjusted Net Debt/Equity (excluding Trade Finance)	0.50 x	0.38 x	

Group 4th Qtr Financial Highlights - At a glance

In US\$ Million	4Q 2006	4Q 2005	Change (%)
Sales	138.8	112.5	 23.4%
EBITDA	12.9	12.4	 4.5%
Finance Cost	(1.8)	(1.4)	 30.7%
Profit Before Tax And Exceptional Items	8.2	8.5	 3.3%
Profit After Tax (before Exceptional Items)	6.6	6.6	
EPS	1.24 US cents	1.24 US cents	

Continuing to deliver growth

Analysis of FY 2006 Finance Costs

- Group finance costs are higher by US\$3.7 million or 74%

- The increase can be attributed to -
 - (1) Higher levels of borrowings for capex and working capital purposes (prior year's borrowings were lower due to uninvested IPO proceeds); and US\$2.1 million

 - (2) Higher interest rate environment US\$1.6 million

- Notwithstanding the higher finance cost, interest cover ratio remained healthy at 5 times

Capital and Financing Strategies

- Leveraging on our strong credit profile and business standing, the financing strategies to strengthen our capital structure are:
 - Reduce effective interest cost over longer term
 - Broaden our financing options to include the debt capital market
 - Match the debt maturity profile to suit our funding and investment needs

Examples

- Establishment of S\$300 million Medium Term Note (“MTN”) program
 - ❖ An evergreen debt capital market program that allows Petra to issue notes of difference sizes with desired tenure at anytime to match our funding needs
 - ❖ Tool to tap long term funds to match our requirements
- Issuance of S\$60 million (US\$39.1 million) 5-year MTN in January 2007
 - ❖ Swapped to US\$
 - ❖ Locked in at attractive long term rate
 - ❖ Refinanced of short term bank borrowing
 - ❖ Extend Petra’s debt maturity profile
- Entered into interest rate swap and corridor of US\$60 million
 - ❖ Protection against rising interest rates

Impact of FRS 39

Impact on Fair Value of Derivative Financial Instruments

	4th Quarter		Full Year	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
1. Income Statement (Cost of Sales)	2,134	(1,424)	2,127	(2,132)
2. Cash Flow Hedge Reserve (Other Reserves - Balance Sheet)			(526)	1,147

- Full year gain of US\$2.1 million in 2006 cancels the loss in 2005

Cash Flow Applications

(US\$ Million)	FY 2006	
EBITDA	54.4	
Less: Changes in operating cash flow		
Decrease/(Increase) in working capital (net of trade finance)	(16.0)	
Tax expense paid	(7.3)	
Interest paid	(8.4)	
Operating cash flow	22.7	
Payment of Dividends	(10.6)	
Net cash flow after dividends	12.1	
Financing activities		
Borrowings	19.8	
Term loan	13.4	
	45.3	
Investing activities		
Capital expenditure	(30.1)	
Acquisitions & Investments	(8.9)	
Other	(1.7)	
Cash and bank balance	4.6	
Footnote		
Borrowings at 31 December 2006	124.9	
Total Credit Facilities (committed)	345.0	
Untapped MTN umbrella facilities (S\$240 million)	157.0	
Total available facilities	502.0	
Headroom	377.1	- Ample headroom for further growth and contingencies
Utilization	25%	- Low utilization

Proforma cash flow
IPO proceeds have been used to fund capex and investment

Funding from IPO Proceeds	54.0	
<u>Less:</u>		
2005 Capital Expenditure	(42.6)	
Remainder of Proceeds	11.4	
Operating cash flow (FY2006)	22.7	
	34.1	
<u>Less:</u>		(a)
Capital Expenditure	(30.1)	
Investments	(8.9)	
Other	(1.7)	(b)
Free Cash Flow	(6.6)	

(a) Capex fully funded by cash flow.
(b) Investments are funded through debt.

Ample headroom available for expansion

Balance Sheet Analysis

(Figures are at period end)

(US\$ Million)	31 Dec 2006	31 Dec 2005	Highlights
Cash and Cash Equivalents	10.0	5.4	
Trade Receivables	62.8	45.0	
Inventories	111.9	93.8	■ Due to the acquisition of Goya Inc and bean inventories for Brazil (pending new capacity).
Other Assets	26.9	16.2	
Fixed Assets, Intangible Assets and Investments	158.9	126.4	■ US\$30m capacity expansion in manufacturing facilities plus acquisitions.
Total Assets	368.7	286.8	
Trade Payables	37.2	22.2	
Other Liabilities	34.6	24.6	
Total Borrowings	124.9	87.8	■ Utilized only 25% of total credit facilities.
Trade Finance	28.8	24.8	} Increase is in line with expansion and investment.
Working Capital Loan	32.1	28.5	
Term Loan	64.0	34.5	
Total Equity	172.0	152.2	
Key Ratios			
Net Debt / Equity	0.67 x	0.54 x	} Healthy leverage.
Adjusted Net Debt / Equity	0.50 x	0.38 x	
Current Ratio	1.36 x	1.49 x	} Prudent working capital management.
Inventory Days	90	100	
Receivable Days	38	35	
Payable Days	26	23	

Strong financial position with adequate headroom

Outlook & Prospects

■ **Branded Consumer**

- Strong growth momentum is expected to continue
- The strategic focus for 2007 is to continue to drive growth and profitability in all our key markets
- For our core market in Indonesia -
 - (1) Further tapping the consumer dollar through new product offerings;
 - (2) Driving higher volumes of Own Brands and 3rd Party Brands through the Distribution Pipeline to extract maximum returns; and
 - (3) Continue strengthening our distribution power - Through a more dedicated brand management team and increasing the number of stock points.

Outlook for FY 2007 (cont'd)

■ **Cocoa Ingredients**

- Generally softer prices of cocoa products in the industry
- The softer price environment for cocoa ingredients is forecast to continue into 1st Half 2007 - There are indications of pricing improvements thereafter
- Full year EBITDA per ton is likely to be lower than 2006
- Strong demand from core customers will remain the key growth driver for sales volume
- The longer term industry fundamentals are intact - Growth driven by organic growth and the outsourcing trend

Outlook for FY 2007 (cont'd)

NET NET:

- Optimistic on business outlook
- Barring unforeseen circumstances, the Group expects further growth in FY 2007
- Targeting growth at both EBITDA and net profit level, albeit at a slower rate compared to previous years
- Targeting same dividend payout of 40%

Targeting continuing growth

Petra's Investment Highlights

Quality Earnings

Cocoa Ingredients

- Strong earnings fundamentals driven by:
 - (a) Well established customer base
 - (b) Compelling outsourcing trend
 - (c) Scalability of growth model

Branded Consumer

- Dominant market share and strong brand equity
- Extensive distribution network
- Replicate our success to fast growing regional markets
- Well positioned to capture regional chocolate consumption growth
- Doubled capacity to capture growth

Low Risk Business Model

- Product customization and partnerships with customers build barriers to entry
- The key for Cocoa Ingredients division is to focus on Value Add and build partnerships with its customers
- Strict adherence to risk management practices mitigates exposure to cocoa bean price fluctuations

Strong Management Team

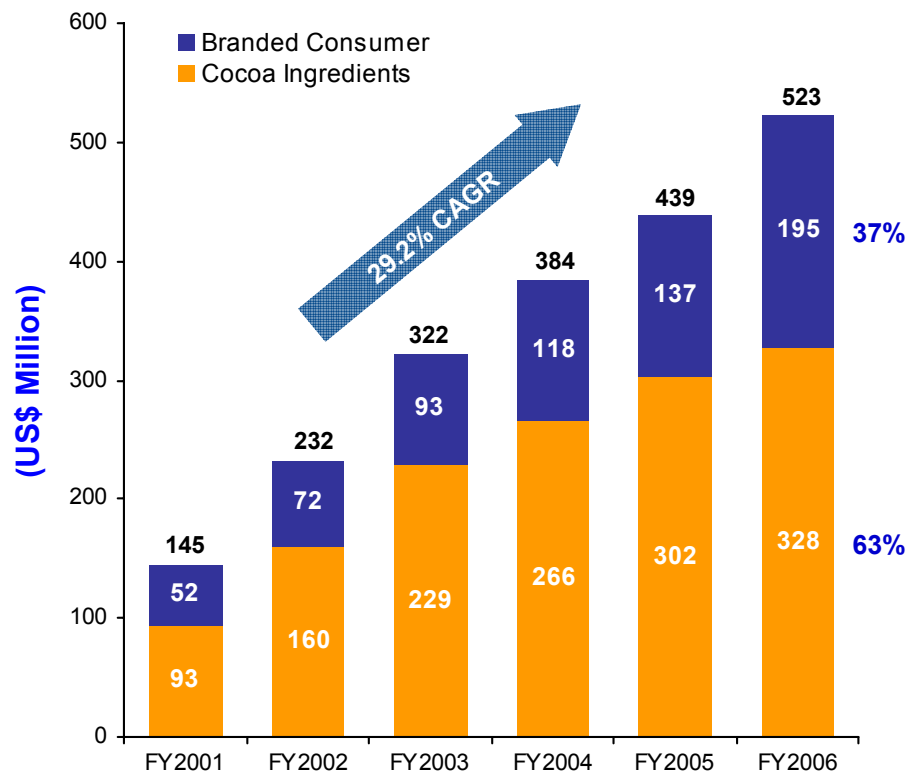
- Diverse team with international F&B and MNC experience
- Proven track record in executing growth strategy

A business model with two quality earnings streams

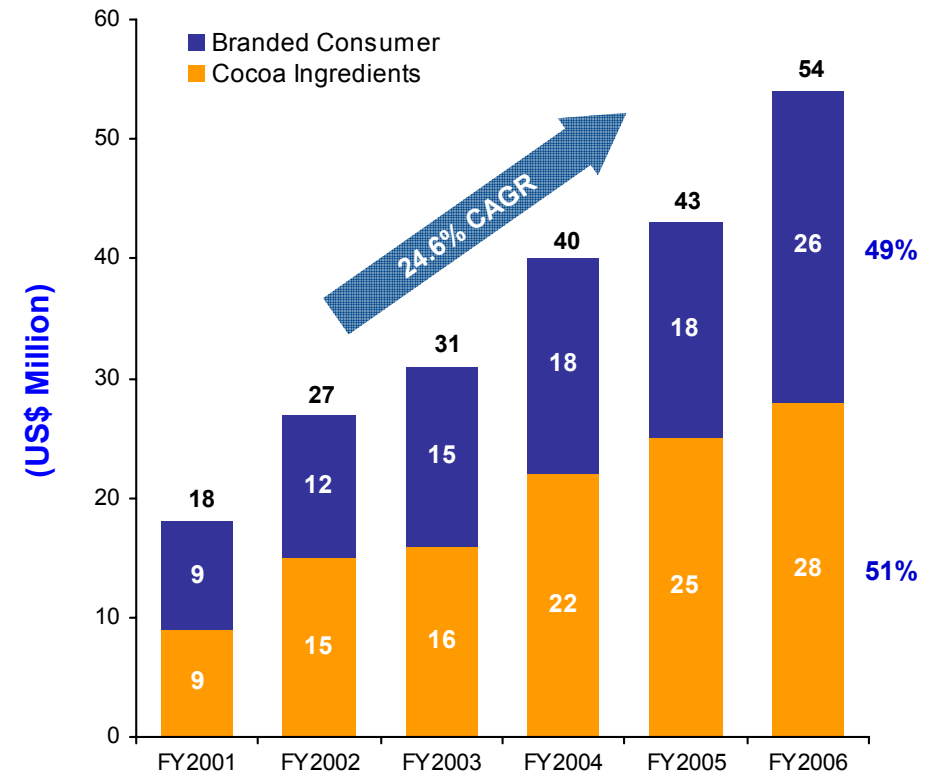
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Historical Performance

Revenue

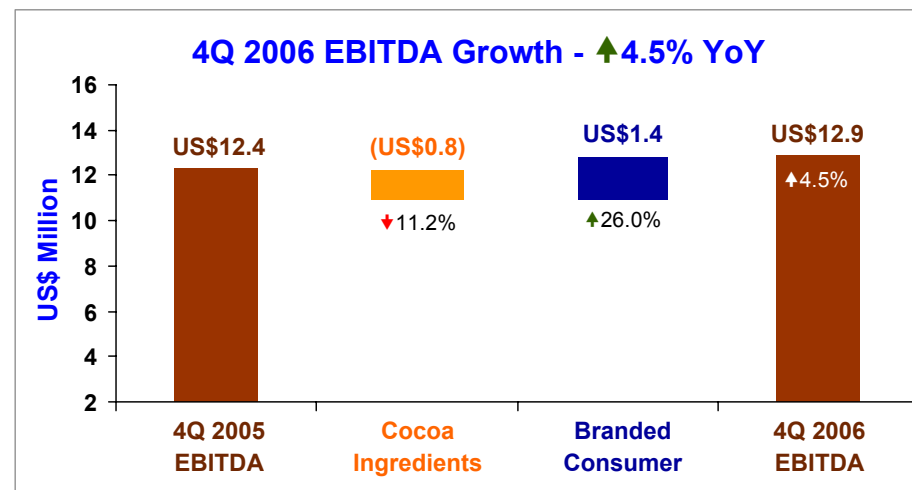
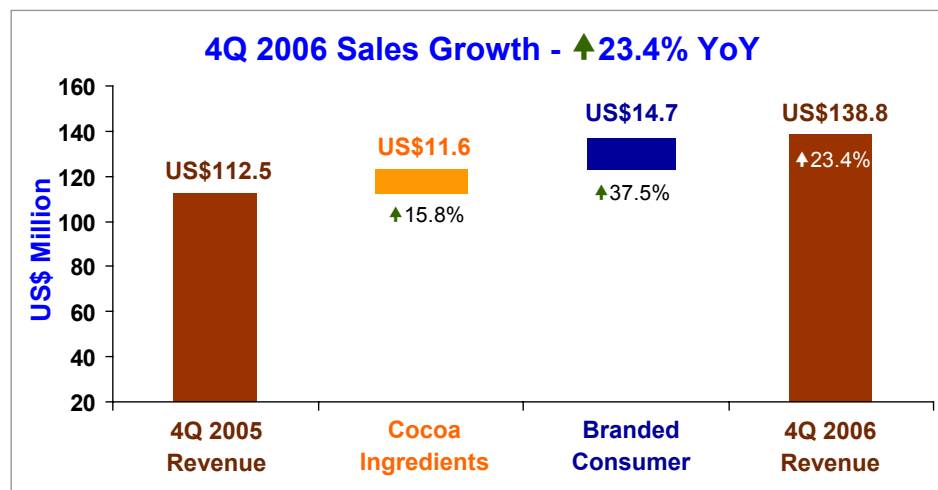


EBITDA



Strong and Consistent Growth

4Q 2006 Financial Snapshot



Key Highlights of 4Q 2006 results

Branded Consumer

- Revenue growth of 37.5% YoY comprised:
 - (1) Core Indonesian market growth of 20.4%; and
 - (2) Growth of 17.1% from the regional markets.
- Strong EBITDA growth of 26% YoY

Cocoa Ingredients

- 4Q 2006 revenue increased by 15.8% supported by sales volume growth of 5.5%
- EBITDA is lower by 11.2% in 4Q due to softer EBITDA per ton of US\$184 (6-month moving average)
- The softer EBITDA per ton is due primarily to:
 - Product mix composition as new capacity phased in;
 - New market development initiatives; and
 - Generally softer combined prices of cocoa products in the industry.

Excellent Results - The continuing growth momentum