PETRA FOODS LIMITED
(Registration no. 198403096C)

Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the First Quarter Ended 31 March 2007

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

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PETRA FOODS LIMITED
(Registration no. 198403096C)

1(a) (i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		1Q ended 31 March		
		2007	2006	Change
	Notes	**US$'000**	US$'000	%
Revenue	1	**161,903**	114,666	41.2%
Cost of Sales	2	**(134,372)**	(92,045)	46.0%
Gross Profit		**27,531**	22,621	21.7%
Other operating income		**673**	1,374	(51.0%)
Selling and Distribution costs		**(11,480)**	(9,105)	26.1%
Administrative expenses		**(5,178)**	(3,825)	35.4%
Finance Costs	3	**(2,160)**	(1,820)	18.7%
Other operating expenses		**(142)**	(63)	NM
Share of results of associated companies		**(45)**	(95)	(52.6%)
Profit before tax and exceptional items		**9,199**	9,087	1.2%
Exceptional Items		**-**	1,516	NM
Profit before tax		**9,199**	10,603	(13.2%)
Income tax expense		**(2,256)**	(2,189)	3.1%
Net Profit		**6,943**	8,414	(17.5%)
Attributable to:				
Equity holders of the Company		**6,967**	8,414	(17.2%)
Minority Interest		**(24)**	-	NM
		6,943	8,414	(17.5%)
EBITDA[1]		**14,650**	13,564	8.0%
Earnings per Share[2]				
- Before exceptional items (US cents)		**1.30**	1.30	0.7%
- After exceptional items (US cents)		**1.30**	1.58	NM
Return on Equity[3]				
- Before exceptional items		**16.0%**	16.9%[4]	(0.9%) pt
- After exceptional items		**16.0%**	18.0%[4]	NM

Notes

NM denotes not meaningful

1 EBITDA represents net profit before exceptional item, net interest expense, income tax expense, depreciation and amortization expense.

2 Diluted earnings per share for 1Q2007 and 1Q2006 are the same as basic earnings per share since there were no potential dilutive ordinary shares.

3 For comparative purposes, ROE is computed based on annualized 1Q 2007 profit attributable to equity holders divided by total equity excluding minority interests.

4 Relates to full year 2006 audited figures.

Explanatory notes on income statement

Note 1 - Breakdown of sales by division

	1Q ended 31 March		
	2007	2006	Change
	US$'000	US$'000	%
Cocoa Ingredients Division	**107,990**	75,627	42.8%
Branded Consumer Division	**53,913**	39,039	38.1%
	161,903	114,666	41.2%

Note 2 - Cost of Sales

Cost of sales consists of cost of goods sold, costs of processing services rendered and net gain or loss on derivatives and hedge adjustment on inventory.

	1Q ended 31 March		
	2007	2006	Change
	US$'000	US$'000	%
Cost of goods sold	**132,176**	90,642	45.8%
Cost of services	**3,919**	2,833	38.3%
	136,095	93,475	45.6%
Adjusted for:			
Fair value hedge (gain)/loss adjustment of inventory	**(9,242)**	103	NM
Fair value loss/(gain) on cocoa bean derivatives	**8,348**	(544)	NM
Transfer from cash flow hedge reserve - cocoa bean derivatives	**(939)**	(67)	NM
Fair value loss/ (gain)on foreign exchange derivatives	**164**	(657)	N/M
	(1,669)	(1,165)	43.3%
	134,426	92,310	45.6%
Net foreign exchange gain	**(54)**	(265)	NM
Cost of Sales	**134,372**	92,045	46.0%

Note 3 - Finance costs (Net)

	1Q ended 31 March		
	2007	2006	Change
	US$'000	US$'000	%
Interest Expense	**2,377**	2,023	17.5%
Fair value loss /(gain)on interest rate derivatives	**33**	(123)	NM
Transfer from cash flow hedge	**(256)**	-	NM
Net interest expense	**2,154**	1,900	13.4%
Net foreign exchange loss/(gain)	**6**	(80)	NM
Total finance costs	**2,160**	1,820	18.7%

Note 4 - Profit before income tax

Net Profit before income tax is arrived after (deducting)/crediting the following:

	1Q ended 31 March		
	2007	2006	Change
	US$'000	US$'000	%
Depreciation of property, plant and equipment	**(3,340)**	(2,648)	26.1%
Amortisation of intangible assets	**(27)**	(15)	80.0%
Net foreign exchange gain	**168**	1,787	(90.6%)
(Under)/Over provision of tax in prior years	**(315)**	50	NM
Write off of property, plant and equipment	**-**	(825)	NM
Gain/(loss) on disposal of property, plant and equipment	**81**	(100)	NM
Impairment of debtors	**-**	(145)	NM
Inventories written off	**(153)**	(128)	19.5%
Allowance for inventory obsolescence	**(117)**	(225)	(48.0%)

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

		Group		Company	
		31-Mar-07	31-Dec-06	**31-Mar-07**	31-Dec-06
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**9,780**	10,023	**484**	711
Derivative assets		**8,444**	4,718	**20,652**	10,733
Trade receivables		**66,885**	62,775	**92,052**	94,199
Inventories		**141,475**	111,920	**4,537**	1,107
Other current assets		**21,939**	16,571	**10,205**	9,742
		248,523	206,007	**127,930**	116,492
Non-current assets					
Investments in subsidiaries	1	**-**	-	**70,337**	47,933
Investments in associated companies		**2,987**	3,065	**3,000**	3,000
Receivables from subsidiaries	1(a)	**-**	-	**13,750**	15,000
Loans to associated company		**2,369**	2,319	**-**	-
Property, plant and equipment	2	**182,082**	140,917	**2,558**	2,718
Intangibles assets		**15,386**	14,931	**1,784**	1,784
Deferred income tax assets		**641**	658	**-**	-
Other non-current assets		**908**	793	**794**	1,350
		204,373	162,683	**92,223**	71,785
Total Assets		**452,896**	368,690	**220,153**	188,277
LIABILITIES					
Current liabilities					
Trade payables		**39,835**	37,211	**21,641**	20,539
Other payables		**27,140**	20,952	**4,232**	2,763
Derivative liabilities		**16,096**	3,614	**14,892**	3,614
Current income tax liabilities		**2,898**	2,349	**1,805**	1,979
Borrowings	3	**67,184**	87,293	**5,872**	26,585
		153,153	151,419	**48,442**	55,480
Non-current liabilities					
Borrowings	3	**96,272**	37,645	**39,508**	400
Deferred income tax liabilities	4	**7,855**	3,857	**788**	211
Provisions for other liabilities and charges		**3,982**	3,816	**-**	-
		108,109	45,318	**40,296**	611
Total liabilities		**261,262**	196,737	**88,738**	56,091
NET ASSETS		**191,634**	171,953	**131,415**	132,186
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital		**95,767**	95,767	**95,767**	95,767
Foreign currency translation reserve		**(2,293)**	(2,273)	**-**	-
Other reserves		**(1,204)**	420	**(2,193)**	(702)
Retained earnings		**85,006**	78,039	**37,841**	37,121
		177,276	171,953	**131,415**	132,186
Minority interests	5	**14,358**	-	**-**	-
Total equity		**191,634**	171,953	**131,415**	132,186

Explanatory notes on balance sheet

Note 1 - Investments in subsidiaries

a. Increase in Issued and Paid Up Capital in Delfi Marketing Sdn Bhd

On 14 February 2007, the Company increased its paid up capital in Delfi Marketing Sdn Bhd, a wholly owned subsidiary in Malaysia from RM5,675,000 to RM10,750,000. The new share was settled by way of capitalising the full amount of a loan owing by Delfi Marketing Sdn Bhd to the Company.

b. Acquisition of a 60% stake in a European Cocoa Ingredients Operations

On 1 March 2007, the Company entered into a shareholders' and share subscription agreement through which it acquired a 60% equity stake in Petra Armajaro Holdings Pte Ltd, an investment holding company incorporated in Singapore that undertakes the manufacture, sale and distribution of cocoa ingredients in the European market. The remaining 40% equity is held by Armajaro Holdings Limited ("Armajaro"), a global commodities trading and financial services group.

Through its wholly-owned subsidiaries, Petra Armajaro Holdings Pte Ltd holds the following assets:

Name of subsidiary	Assets Acquired
Delfi Cocoa (Europe) GmbH	A cocoa ingredients manufacturing factory located in Hamburg, Germany
Delfi Nord Cacao SAS	A specialised cocoa butter facility located in Dunkirk, France
	The "NordCacao" brand under which the specialised butter is currently marketed.
Delfi Cocoa (Europe) BV	An existing core and supply chain management team based in Holland and

Total consideration paid for the Company's 60% equity stake was Euro16 million (US$20.96 million). The purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into account inter alia the financial condition, the manufacturing capability of the assets, customer base and cash-flow generating capabilities of the assets acquired. The acquisition was funded through internal sources and bank borrowings.

In accordance with the requirement of FRS 103, the Company had initiated an exercise to determine the fair value of its subsidiaries' assets and liabilities ("fair value exercise"). As of 31 March 2007, the fair value exercise has not been completed and finalised. Thus, the fair value of the net assets acquired has been determined on a provisional basis. Once the fair value exercise is completed, the purchase price allocation of goodwill, intangible assets (if any) and net assets acquired may need to be adjusted. The fair value exercise is expected be finalised by this financial year end.

Note 2 - Property, plant and equipment

The fair value of the property, plant and equipment acquired was estimated at US$40.7 million which may need to be adjusted when the fair value exercise is completed.

Total capital expenditure for 1Q 2007 amounted to US$3.9 million as follows:

	31-Mar-07
	US$'000
Cocoa Ingredients	3,316
Branded Consumer	585
	3,901

Note 3 - Borrowings

	Group		Company	
	31-Mar-07	31-Dec-06	**31-Mar-07**	31-Dec-06
	US$'000	US$'000	**US$'000**	US$'000
(a) Current				
Bank overdraft	**17,781**	28,508	**124**	198
Bank loans	**24,538**	28,704	**-**	-
Lease liabilities	**1,218**	1,242	**133**	132
Trade Finance	**23,647**	28,839	**5,615**	26,255
	67,184	87,293	**5,872**	26,585
(b) Non Current				
Bank loans	**55,075**	35,285	**-**	-
Medium Term Note	**39,139**	-	**39,139**	-
Lease Liabilities	**2,058**	2,360	**369**	400
	96,272	37,645	**39,508**	400
Total Borrowings	**163,456**	124,938	**45,380**	26,985

On 11 January 2007, the Company issued a 5-year fixed rate S$60 million Medium Term Note ('MTN') under the S$300 million MTN programme established on 4 December 2006. The Notes issued are unsecured and were swapped into USD. The proceeds were used to fund acquisition of the European Cocoa Ingredients operations and to refinance existing working capital facilities.

On acquisition (see note 1(b)), an additional loan of US$17.1 million was secured to finance the European operations.

Note 4 - Deferred Income Tax Liabilities

The acquisition (see Note 1(b)) resulted in a deferred income tax provision of US$3.5 million. This may be adjusted after the fair value exercise is completed.

Note 5 - Minority Interests

This represents Armajaro's 40% share in the fair value of the net European assets. This may be adjusted on completion of the fair value exercise.

Note 6 - Key Ratios

	Group	
	31-Mar-07	31-Dec-06
Current Ratio	**1.62**	1.36
Average Inventory Days	**86**	90
Average Receivable Days	**37**	38
Total Borrowing to Net Worth Ratio	**0.85**	0.73
Total Borrowing to Tangible Net Worth Ratio	**0.93**	0.80
Net Debt to Equity (times)	**0.80**	0.67
Adjusted Net Debt to Equity (times)*	**0.68**	0.50
Interest Coverage Ratio (times)	**5.3**	5.0
Return on Equity (annualized)		
before Exceptional Items	**16.0%**	16.9%
after Exceptional Items	**16.0%**	18.0%

* Note: The Adjusted Net Debt to Equity Ratio is adjusted for working capital facilities which are used to fund cocoa beans inventory.

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

	Group		Company	
	31-Mar-07	31-Dec-06	**31-Mar-07**	31-Dec-06
Amount repayable in one year or less, or on demand				
- Secured	**17,610**	15,165	**-**	330
- Unsecured	**49,574**	72,128	**5,872**	26,255
	67,184	87,293	**5,872**	26,585
Amount repayable after one year				
- Secured	**31,606**	20,999	**369**	400
- Unsecured	**64,666**	16,646	**39,139**	-
	96,272	37,645	**39,508**	400

Details of collateral

Total bank borrowings of US$49.2 million obtained by subsidiaries in the Group are secured on trade receivables, inventory, property plant and equipment and legal mortgages of land and properties.

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

	Notes	1Q ended 31-Mar-07 US$'000	31-Mar-06 US$'000
Cash flows from operating activities			
Profit before tax		**9,199**	10,603
Adjustments for:			
Depreciation & amortization		**3,367**	2,663
Impairment loss of intangibles		**-**	-
Exceptional Item		**-**	(1,516)
(Gain)/loss on disposals of property, plant and equipment		**(81)**	100
Interest (income)		**(70)**	(85)
Interest expense		**2,154**	2,023
Fair value of inventories		**(9,242)**	103
Fair value of derivatives		**6,938**	(817)
Net foreign exchange loss/(gain)		**6**	(80)
Share of loss from associated companies		**45**	95
Operating cash flow before working capital changes		**12,316**	13,089
Change in operating assets and liabilities, net of effects from purchase of subsidiaries			
Inventories		**(4,977)**	(5,320)
Trade and other receivables		**(9,495)**	(225)
Trade and other payables		**1,571**	211
Cash generated from operations		**(585)**	7,755
Interest received		**70**	85
Income tax paid		**(1,069)**	(1,727)
Net cash (used in)/provided by operating activities		**(1,584)**	6,113
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	1	**(14,139)**	(6,416)
Acquisition of additional interests in subsidiaries		**-**	(410)
Purchases of property, plant and equipment		**(3,901)**	(5,810)
Payments for patent & trademark		**-**	(1,783)
Proceeds from disposals of property, plant and equipment		**81**	202
Net cash used in investing activities		**(17,959)**	(14,217)
Cash flows from financing activities			
Trade finance		**(5,192)**	6,477
Proceeds from borrowings		**8,492**	12,721
Proceeds from Medium Term Note		**39,139**	-
Repayments of borrowings		**(10,018)**	(1,789)
Repayment of lease liabilities - net		**(326)**	(26)
Interest paid		**(2,154)**	(2,023)
Decrease/(increase) in fixed deposits held as collateral with financial institutions		**-**	37
Net cash from financing activities		**29,941**	15,397
Net increase in cash and cash equivalents		**10,398**	7,293
Cash and cash equivalents at the beginning of the financial year		**(18,485)**	(22,961)
Net effect of exchange rate changes in consolidating subsidiaries		**86**	(456)
Cash and cash equivalents at the end of the financial period		**(8,001)**	(16,124)

Cash and cash equivalents included in cash flow statement comprise the following balance sheet amounts:

	1Q ended	
	31-Mar-07	31-Mar-06
	US$'000	US$'000
Cash and bank balances	**9,780**	9,534
Less : Fixed deposits held as collateral with financial institutions	**-**	(570)
Less: Bank overdrafts	**(17,781)**	(25,088)
	(8,001)	(16,124)

Note 1 - Acquisition of European Cocoa Ingredients Operations

The cash flow effects of the acquisition are as follows:

	US$'000
Fair value of net identifiable assets acquired	53,104
Loan on acquisition	(17,150)
	35,954
Minority interest arising upon acquisition	(14,381)
Cost of Investment	21,573
Goodwill on acquisition	477
Consideration paid in cash	22,050
Less: Cash of subsidiary companies	(7,911)
Cash flow on acquisition net of cash and cash equivalent acquired	**14,139**

As disclosed in paragraph 1(b)(i), the fair value determined for the net assets acquired as detailed above is only a provisional figure as the exercise have not yet been completed and finalised as at 31 March 2007. The fair value of net assets, goodwill arising from acquisition and minority share may need to be adjusted once the fair value exercise is completed.

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.

Consolidated Statement of Changes in Equity
For the first quarter ended 31 March 2007

	Attributable to equity holders of the Company						
	Share capital	**Foreign Currency translation reserve**	**Cash flow hedge reserve**	**General reserve**	**Retained earnings**	**Minority interest**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group							
Balance at 1 January 2007	95,767	(2,273)	(526)	946	78,039	-	171,953
Currency translation differences	-	(20)	-	-	-	-	(20)
Cash flow hedges	-	-	(1,822)	-	-	-	(1,822)
Tax on fair value gain	-	-	198	-	-	-	198
Net gains recognised directly in equity	-	(20)	(1,624)	-	-	-	(1,644)
Net profit for the period	-	-	-	-	6,967	(24)	6,943
Total recognised gains/(losses)	-	(20)	(1,624)	-	6,967	(24)	5,299
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	14,382	14,382
Balance at 31 March 2007	95,767	(2,293)	(2,150)	946	85,006	14,358	191,634

1(d)(i) Consolidated Statement of Changes in Equity
For the first quarter ended 31 March 2006

	Attributable to equity holders of the Company						
	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	General reserve	Retained earnings	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group							
Balance as 1 January 2006, as previously reported	95,767	(5,616)	1,147	707	59,781	403	152,189
Currency translation differences	-	2,823	-	-	-	7	2,830
Cash flow hedges	-	-	974	-	-	-	974
Tax on fair value gain	-	-	(97)	-	-	-	(97)
Net gains recognized directly in equity	-	2,823	877	-	-	7	3,707
Net profit for the period	-	-	-	-	8,413	-	8,413
Total recognised gains/(losses)	-	2,823	877	-	8,413	7	12,120
Purchase of additional equity interests in subsidiary companies	-		-	-	-	(410)	(410)
Balance at 31 March 2006	95,767	(2,793)	2,024	707	68,194	-	163,899

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Statement of Changes in Equity
For the first quarter ended 31 March 2007

The Company	Share capital and share premium	Cash flow hedge reserve	Retained earnings	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2007	95,767	(702)	37,121	132,186
Cash flow hedges	-	(1,656)	-	(1,656)
Tax on fair value gain	-	165	-	165
Net losses recognised directly in equity	-	(1,491)	-	(1,491)
Net profit for the period	-	-	720	720
Total recognised gains/(losses)	-	(1,491)	720	(771)
Balance at 31 March 2007	95,767	(2,193)	37,841	131,415

Statement of Changes in Equity
For first quarter ended 31 March 2006

The Company	Share capital	Cash flow hedge reserve	Retained earnings	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
Balance as 1 January 2006, as previously reported	95,767	1,147	35,722	132,636
Cash flow hedges	-	877	-	877
Net losses recognised directly in equity	-	877	-	877
Net profit for the period	-	-	1,818	1,818
Total recognised gains/(losses)	-	877	1,818	2,695
Balance at 31 March 2006	95,767	2,024	37,540	135,331

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 1Q ended 31 March 2007, there was no change in the issued and paid up share capital of the Company (1Q 2006: S$53,222,700).

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 2006.

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

There are no changes in accounting policies.

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.

		1Q ended 31 March	
		2007	2006
(i)	Based on weighted average number of ordinary shares in issue - (US cents)		
	- Before exceptional item	1.30	1.30
	- After exceptional item	1.30	1.58
(ii)	On a fully diluted basis - (US cents)		
	- Before exceptional item	1.30	1.30
	- After exceptional item	1.30	1.58

Notes
1. Basic earnings per share for 1Q 2007 is computed based on 532,277,000 shares (1Q 2006: 532,277,000 shares).
2. There were no dilutive potential ordinary shares as at 31 March 2006 and 31 March 2007 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	
	31 Mar 07	31 Dec 06	**31 Mar 07**	31 Dec 06
Net asset value per ordinary share based on issued share capital – (US cents)	**36.0**	32.3	**24.7**	24.9

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group 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

Founded in 1984, Petra Foods Limited (the "Group") is one of the world's major manufacturers and suppliers of cocoa ingredients. 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.**

The **Cocoa Ingredients Division** is involved in the manufacture and sale of a wide range of specialty cocoa butters, cocoa liquors and cocoa powders under the "Delfi" brand to over 30 countries.

As the prices set for sales of cocoa ingredients products generally reflect the prices of cocoa beans at the time the sales are contracted, the price of cocoa beans has a direct impact on revenue. The division protects itself against movement in cocoa bean prices through the purchase of futures contracts and/or by purchasing cocoa beans for delivery at a future date.

Gross operating margin expressed as a percentage of sales may vary depending on cocoa bean prices although gross profit or operating profit may remain the same. As compared to a profitability margin expressed as a percentage of revenue, EBITDA per metric ton of sales volume is a more appropriate measure of the performance of the Division.

The **Branded Consumer Division** manufactures, markets and distributes chocolate and sugar confectionery products in over 20 countries, with a portfolio of 10 master brands and over 20 key-sub brands and with more than 400 stock keeping units. The division also distributes a wide range of food and other consumer products under a portfolio of well-known third party brands in Indonesia, Singapore, Malaysia and the Philippines.

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Key Figures for the Group (unaudited)

	1Q ended 31 March		
	2007	2006	Change
	US$'000	US$'000	
Income Statement			
Revenue			
Cocoa Ingredients	**107,990**	75,627	42.8%
Branded Consumer	**53,913**	39,039	38.1%
	161,903	114,666	41.2%
EBITDA			
Cocoa Ingredients	**7,031**	6,964	1.0%
Branded Consumer	**7,619**	6,600	15.4%
	14,650	13,564	8.0%
Finance Costs	**(2,160)**	(1,820)	18.7%
Profit before tax and exceptional items	**9,199**	9,087	1.2%
Profit after tax (excluding exceptional items)	**6,943**	6,898	0.7%

Key Indicators by Business Segments

	1Q ended 31 March		
	2007	2006	Change
Branded Consumer			
Gross Profit Margin	**31.1%**	32.2%	-1.1%
Cocoa Ingredients			
Sales Volume (mt)	**40,314**	31,735	27.0%
Sales Volume (mt) - excluding Europe	**34,711**	31,735	9.4%
Capacity utilization	**93%**	93%	-

	6-month moving average ended 31 December		
	2007	2006	Change
Cocoa Ingredients			
EBITDA per metric ton of sales volume (US$)	**180**	220	(18%)
EBITDA per metric ton - excluding Europe (US$)	**189**	220	(14%)

Balance Sheet as at	**31-Mar-07**	31-Dec-06	Change
	US$'000	US$'000	US$'000
Total Assets	**452,896**	368,690	84,206
Current assets	**248,523**	206,007	42,516
Non current assets	**204,373**	162,683	41,690
Total Borrowings	**163,456**	124,938	38,518
Shareholders' Equity	**177,276**	171,953	5,323
Net Working Capital	**95,370**	54,588	40,782

Review of Group Financial Performance

1Q 2007 versus 1Q 2006

The Group's 1Q 2007 net profit (excluding exceptional items) increased by 0.7% Y-o-Y to US$6.9 million and EBITDA growth was 8% with the Branded Consumer Division's performance outpacing that of the Cocoa Ingredients'. This reinforces the strength of the Group's business model in having two divisions which complement each other.

Branded Consumer Division

Revenue was up 38.1% Y-o-Y to US$53.9 million, of which 24.8% of the Division's growth was contributed by the core market in Indonesia with a further 13.3% coming from the growth in the regional markets. The Branded Consumer Division achieved the strong revenue growth through leveraging on its key strengths of:-

❖ **Dominant Brands**

With an already commanding position in its core market in Indonesia, the Division is continually strengthening its dominant brands through product innovations and marketing initiatives. Product innovation initiatives include the launch of new flavours, product variants and enhanced product packaging. The combination of new products launched in 2006 (e.g. "SilverQueen Chunky Bar" and "Top Black in White") coupled with the continued strong demand for our existing core products drove revenue growth of 30.6% in the Division's core market.

❖ **Distribution Strength**

In line with the strategy of maximizing returns from its extensive distribution network (built over the last 40 years in Indonesia), higher volumes of the Branded Consumer Division's key brands and new 3rd Party Brands products were driven through the distribution pipeline.

The regional growth strategy also saw the proportion of its revenue contribution from the regional markets rise from 18.9% in 1Q 2006 to 23.3%. This was achieved via its acquisition of the Goya business in the Philippines in March 2006 coupled with the growing scale of operations in Singapore and Malaysia.

The Branded Consumer Division achieved 1Q 2007 EBITDA of US$7.6 million, up 15.4% Y-o-Y. The perceived slower pace of growth compared to the revenue growth achieved is affected by:

1. Overall gross profit margin in 1Q 2007 was lower Y-o-Y by 1.1% point to 31.1% due mainly to the new 3rd Party Brands distributed.

2. A US$700,000 exchange gain recorded in 1Q 2006 relating to the capacity expansion programme - arising from a strengthening Rupiah which benefited its US$ payables.

3. A full quarter's costs of the Philippines Branded Consumer operations is reflected in 1Q 2007 compared with only one month's negative contribution in 1Q 2006.

If adjusted for the exchange gain, EBITDA growth for the Branded Consumer Division would have been 29%, translating to 13.9% EBITDA growth for the Petra Foods Group.

Cocoa Ingredients Division

The Division achieved EBITDA of US$7 million in 1Q 2007, comparable to 1Q 2006. This was supported by Y-o-Y sales volume growth of 9.4% to 34,711 mt (excluding the European operations which were consolidated from 1st March, 2007) vs 31,735 mt previously. The key driver of the volume growth is the continued success in executing its growth strategy which is: -
.

❖ **To broaden and deepen the relationships with core customers**

The key focus here is to remain the Partner of Choice to all its customers through continually delivering products synonymous with uncompromising quality and consistency to serve their growing requirements across the different geographic boundaries. Furthermore at their request, to jointly develop cocoa ingredients products to widen their portfolio of finished products.

❖ **To broaden market position globally**

The geographical spread of the Cocoa Ingredients operations was significantly enhanced recently with the acquisition of the European Cocoa Ingredients operations (existing commercial operations, existing customer base and cocoa ingredients processing capacity). This acquisition presents the following long term growth opportunities: -

1. Allows the Cocoa Ingredients Division to build a market position in Europe, which is the largest consuming market for cocoa ingredients; and
2. To further capture the outsourcing trend, especially in the supply of premium cocoa ingredients to the international food and beverage companies.

We have significantly increased the Group's processing capacity to 290,000 mt (+21% over 2006 year-end total) with the strategic investment in Europe.

A maiden contribution from the European operations was recorded, albeit small. For the Division's 1Q 2007 revenue of US$108.0 million, the European operations contributed 19% of the total.

For full year 2007, revenue contribution from the European businesses is estimated to be at least US$200 million although there is not expected to be a material impact on the Group's profitability. These businesses are, however, targeted to be value accretive over the longer term.

❖ **To maximise capacity utilisation**

Supporting the sales volume growth was the capacity expansion program implemented over the last two years. The key to note is that capacity utilization remained high at 93% despite the capacity increase.

For 1Q 2007, an overall EBITDA yield of US$180 per mt was recorded which has factored in a month's contribution from the European operations. However, if the contributions from the European operations are excluded, the Division achieved an EBITDA yield of US$189/mt – lower than the US$220/mt achieved in 1Q 2006 but represents a sequential improvement of 3% if compared to the US$184/mt achieved in 4Q 2006.

The weaker Y-o-Y EBITDA yield can be attributed to: -

1. The phasing in of the new processing capacity by the Division which resulted in a change in product mix composition. To recap, the Division had increased processing capacity 21%;

2. New market development initiatives; and

3. A softer price environment in the lower to mid priced segments of the industry.

Operating Expenses

From the Group's perspective, the overall strategy of growing both the Cocoa Ingredients and Branded Consumer businesses is the key reason for the 26.1% Y-o-Y increase in Selling and Distribution expenses of 26.1% and the 35.4% increase in Administrative Expenses. For example, the higher staff cost incurred in the Branded Consumer division to further strengthen its sales and marketing infrastructure as well as higher advertising and promotion expenses to drive future growth.

Finance Cost

1Q 2007 interest cost increased 18.7% to US$2.2 million due mainly to higher working capital requirements for the Cocoa Ingredients Division and funding for the European acquisition. This was mitigated by a lower effective interest cost as the Group leveraged on its strong credit profile and business standing to issue S$60 million (US$39.1 million) of Medium Term Note to optimize its capital funding structure. For the Group, interest cover remained healthy at 5.3 times.

Balance Sheet and Financial Position

Shareholders' equity (excluding minority interests) increased to US$177.3 million. Total assets grew by US$84.2 million of which US$53.1 million can be attributed to the Group's acquisition of European cocoa ingredient operations, US$3.9 million from capital expenditure and the remainder from higher working capital.

In line with the businesses' growth and expansion, total borrowings as at 31 March 2007 was US$163.4 million compared to US$124.9 million at 31 December 2006. This was mainly due to the issuance of a 5-year S$60 million (US$39.1 million) Medium Term Note in January 2007 to fund the acquisition of the European cocoa ingredient operations and to refinance existing trade finance facilities and bank overdraft. This is to strengthen the Group's capital structure and better match the debt maturity profile to suit the Group's funding and investment needs. Please refer to Para 1(b) (i) Note 3.

The Group's net debt to equity ratio increased from 0.67 times as of 31 December 2006 to 0.80 times as of 31 March 2007.

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

The Group's results for 1Q 2007 are in line with the commentary made in paragraph 10 of the Group's Full Year Unaudited Financial Statement and Dividend Announcement.

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.

With its proven business model, Petra Foods' operation is fundamentally strong. It will continue to grow by building on its key strengths and focusing on the achievement of the Group's strategic objectives which include the strengthening of its core competencies; the extension of its regional and global reach; and the maximization of asset yields.

For the **Branded Consumer Division**, the strong growth momentum is expected to continue. The strategic focus for 2007 is to continue to drive growth and profitability in all its key markets which is the South East Asian chocolate confectionery market, the world's fastest growing region for chocolate confectionery sales.

The intent is to further tap the consumer dollar through an exciting 2007 product innovation programme and brand building initiatives. Furthermore, the strategy is to continue driving higher volumes of Own Brands and 3rd Party Brands through our regional distribution pipeline to maximize returns.

For the **Cocoa Ingredients Division**, volume uptake will continue to grow driven by increasing demand from its portfolio of customers in the international food and beverage industry. The Group's new market development initiatives will continue to yield positive results. It will continue to expand the geographical reach for its cocoa ingredients products.

The softer price environment for cocoa ingredients is forecast to continue into 1st Half FY2007. As a result, full year EBITDA per mt of sales volume is likely to be lower than prior year. With the division's focus on the refining of customized cocoa ingredients, the division's EBITDA per mt yield, although affected by the industry's generally softer prices, will not be as adversely affected.

This headwind affecting pricing is expected to be temporary as there are market indications of pricing improvements. The longer term industry fundamentals are intact with growth driven by the organic growth of the chocolate confectionery industry, the outsourcing trend and from the industry consolidation.

Petra Foods has built a resilient business model with two complementary earnings stream which together should generate continued growth. Barring, unforeseen circumstance, the Group expects further growth in FY2007.

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

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

No dividend for 1st Quarter ended 31 March 2007 has been declared.

12. Segment Information

Primary reporting format - business segments

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 31 March 2007			
Sales:			
- External sales	107,990	53,913	161,903
- Inter-segment sales	953		953
	108,943	53,913	162,856
Elimination			(953)
			161,903
Segment result	5,015	6,389	11,404
Finance costs			(2,160)
Share of profit of associated companies			(45)
Profit before tax			9,199
Income tax expense			(2,256)
Minority interest			24
Net profit			6,967
Other segment items			
Segment assets	314,075	135,193	449,268
Associated companies			2,987
Unallocated assets			641
Consolidated total assets			452,896
Segment liabilities	185,988	64,521	250,509
Unallocated liabilities			10,753
Consolidated total liabilities			261,262
Capital expenditure	3,316	585	3,901
Depreciation	2,032	1,308	3,340
Amortisation	27	-	27
EBITDA	7,031	7,619	14,650

Segment Information (continued)

Primary reporting format - business segments (continued)

	Cocoa Ingredients	Branded Consumer	Total
	US$'000	US$'000	US$'000
Period ended 31 March 2006			
Sales:			
- External sales	75,627	39,039	114,666
- Inter-segment sales	1,204		1,204
	76,831	39,039	115,870
Elimination			(1,204)
			114,666
Segment result	5,344	5,658	11,002
Finance costs			(1,820)
Share of profit of associated companies			(95)
Profit before tax			9,087
Income tax expense			(2,189)
Minority interest			-
Exceptional items			1,516
Net profit			8,414
Other segment items			
Segment assets	205,575	104,469	310,044
Associated companies			3,002
Unallocated assets			547
Consolidated total assets			313,593
Segment liabilities	96,752	46,162	142,914
Unallocated liabilities			6,781
Consolidated total liabilities			149,695
Capital expenditure	3,169	2,641	5,810
Depreciation	1,686	962	2,648
Amortisation	15	-	15
EBITDA	6,964	6,600	13,564

Secondary reporting format - geographical segments

For financial year ended 31 March

	Revenue		Total assets		Capital expenditure	
	2007	2006	**2007**	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Indonesia	**44,861**	34,853	**126,539**	95,194	**997**	2,797
Singapore	**10,745**	8,751	**236,609**	202,617	**32**	264
Philippines	**7,570**	4,574	**26,038**	82,300	**-**	6
Thailand	**1,874**	1,679	**17,469**	15,708	**88**	106
Malaysia	**4,938**	4,438	**66,943**	5,190	**352**	1,265
Japan	**16,135**	10,210	**-**	-	**-**	-
Middle East	**3,855**	-	**-**	-	**-**	-
Other countries in Asia	**3,230**	9,554	**-**	-	**-**	-
Australia	**10,027**	8,803	**-**	-	**-**	-
Europe	**42,663**	16,787	**63,379**	2,194	**1,387**	-
North America	**7,272**	8,038	**859**	721	**-**	-
South America	**6,025**	4,493	**49,667**	25,865	**1,045**	1,372
Africa	**2,708**	2,486	**-**	-	**-**	-
	161,903	114,666	**587,503**	429,789	**3,901**	5,810
Elimination	-	-	**(134,607)**	(116,196)	-	-
	161,903	114,666	**452,896**	313,593	**3,901**	5,810

13. Interested Person Transactions

	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual[1]
	1Q 2007
	US$'000
PT Freyabadi Indotama	
- Sales of goods	938
- Purchase of products	2,362
	3,300
PT Tri Keeson Utama	
- Sales of goods	**278**
PT Fajar Mataram Sedayu	
- Sales of goods	365
- Purchase of goods	81
	446
PT Sederhana Djaja	
- Lease of properties	**22**

Note:
[1] Aggregate value of all interested person transactions include transactions less than S$100,000.

BY ORDER OF THE BOARD
Lian Kim Seng/Evelyn Chuang
Secretaries